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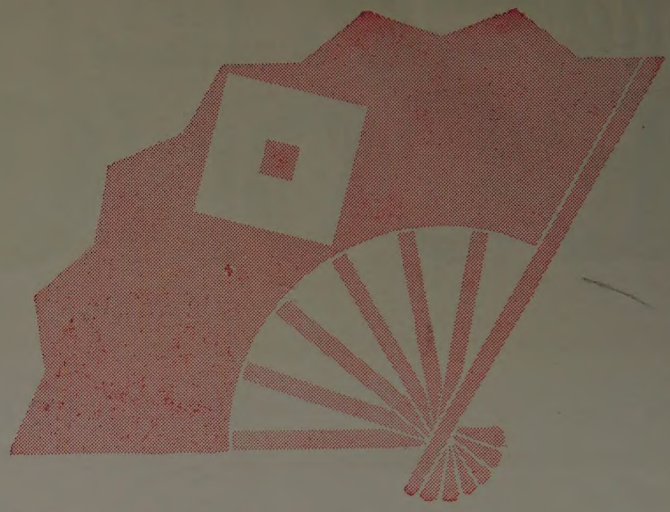

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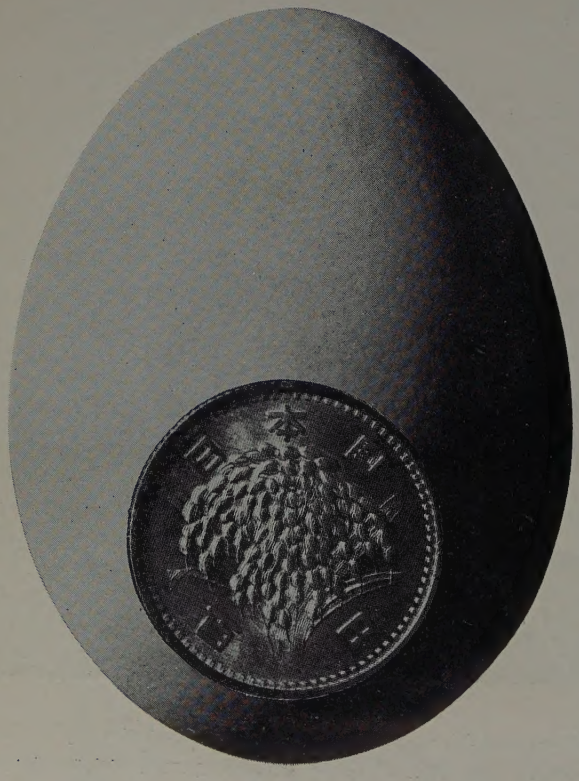

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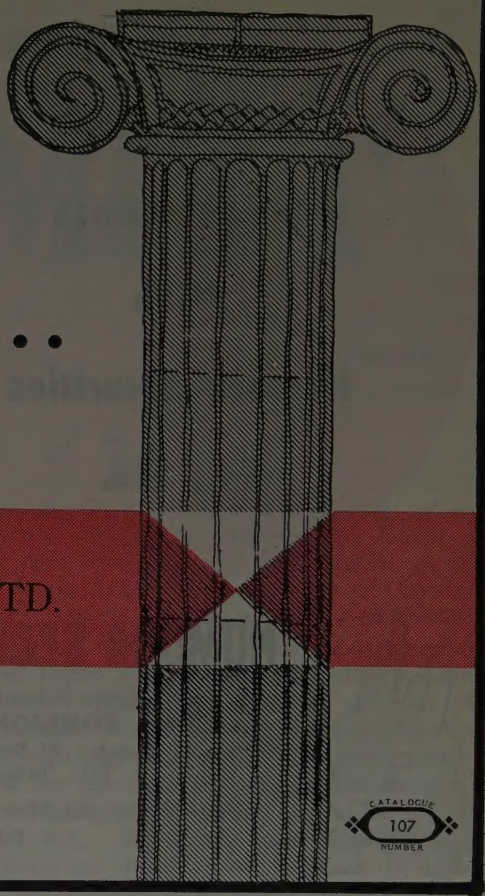

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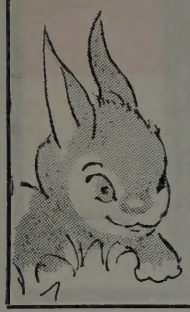

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The ORIENTAL ECONOMIST

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Review of the Month

THE new Japan-U.S. Security Pact acquired full approval of the Japanese Diet automatically without the action by the House of Councillors on June 19, 30 days after the treaty was referred to the Lower House (as provided for in Article 61 of the Japanese Constitution). The new treaty took effect swiftly five days later with the exchange of instruments of ratification in Tokyo between Foreign Minister Aiichiro Fujiyama and U.S. Ambassador Douglas MacArthur II on June 23. On the same day, Prime Minister Nobusuke Kishi manifested his intention to resign in order to cope with the new turn in Japanese politics following the effectuation of the new pact. Mr. Kishi is expected to resign as soon as the new president of the ruling Liberal-Democratic Party is named to succeed him. Mentioned most prominently as candidates to replace Mr. Kishi are Hayato Ikeda (Minister of International Trade & Industry in the present Cabinet), Banboku Ohno (Vice-President of the Liberal-Democratic Party) and Mitsujiro Ishii (Chairman of the party's executive committee). Although the Socialist Party is opposed to the choice from among this trio for the reason that they are "similarly to blame" for the ratification of the new Japan-U.S. security pact as Mr. Kishi, the Japanese public in general does not in the least in doubt as to the naming of a Liberal-Democrat to succeed Mr. Kishi, and no public desire for a "Socialist Government" is noted. It is thus evident that the opposers to Mr. Kishi are not necessarily supporters of the Socialist Party, a fact demanding the self-reflection on the part of Japanese Socialists. The Socialist practice to speak of parliamentarism without action does not win public trust. Socialists, just as Liberal-Democrats, are responsible for the return of Diet business to normal.

NEW JAPAN-U.S. SECURITY PACT RATIFIED

The new security treaty, which was signed in Washington on January 19, was submitted to the Diet on February 5, and the Diet approval came about four months and a half later. The Diet approval of the new security treaty, however, has left many problems unsettled. There was no compromise possible with the Socialist Party regarding the pact ratification, as it was opposed to it from the start. Hence, it was incumbent on the Government to make more earnest endeavors to explain the contents of the treaty more minutely to the public through Diet deliberations. There is no denying that the bungling of Government leaders in their replies to Diet interpellations on the pact resulted in the increasing mistrust in the new treaty by the masses. With Diet deliberations reaching no definite conclusion, the Diet proceedings were obstructed by the filibusterism of Socialists, and finally led to the "compulsory" passage of the pact in the Lower House by the solo resolution of the ruling party. Thus, the crux of the problem was shifted from the discussion of whether the pact was acceptable or not but to the controversy over the crisis of parliamentarism. In these cicumstances, the Government is called upon to try to return the Diet procedure to normal as soon as possible and to seek the full understanding of the new treaty by the people. Many are still dubious of various provisions in the new treaty including those pertaining to the scope of "Far East," the incidental action of the U.S. force in Japan, prior consultation, and the definite term of the treaty. The very fact

that the new treaty is a great improvement over the outgoing pact has not been fully brought home to the knowledge of the nation. Considering that the existing security pact will continue in force in the absence of the new pact, the majority will agree that a better arrangement, even with some defects uncorrected, is more desirable. It should be driven home to the public mind that neutrality is impossible in a country as unarmed as Japan. In this respect, the Government was not sufficiently scrupulous and painstaking in its effort to obtain the public understading for the new security pact. With Prime Minister Kishi finally mainfesting his will to resign after the exchange of ratification for the new treaty, a general election should be held at an early date to make the new treaty justifiably acceptable by the nation through the verdict of voters. The justifiability of the new treaty can be claimed only through the process of a general election.

IKE'S VISIT POSTPONED

THE scheduled visit of President Eisenhower to Japan on June 19 on the occasion of the centennial marking the start of friendly relations between the United States and Japan was abruptly postponed at the request of the Japanese Government. To ask a State guest formally invited by the Japanese Government to delay his set visit is certainly wanting in courtesy from the standpoint of diplomatic etiquette even under the impact of contingencies. It is hoped that the Government will not bungle in the handling of future developments. From the visit to Japan by the President (in office) of the United States, her greatest ally, the first diplomatic exchange of the kind in the history of the two nations, the Japanese people expected the further cementing of friendly relations between the two countries across the Pacific, and we cannot be too regretful. Disturbances created by Communist elements and the antimain-current faction of Zengakuren at the Tokyo international airport at the time of the arrival of Mr. Hagarty, press secretary of Mr. Eisenhower, who came to make arrangements for the President's visit to Japan, were severely taken to task by public opinion. Zengakuren (Main-current) riotors, nevertheless, made the forcible entry into the premises of the Diet building on June 15. The repetition of such planned acts of mass violence certainly held the danger of causing unforeseen outbreaks in case of the visit of the U.S. President as scheduled. Under the provisions of the Japanese Police Duties Law, the recourse to precautionary measures against planned uses of violence, such as preventive arrests or checking up of belongings, is banned, and hence, the guarding capacity of the police force is extremely restricted. The Prime Minister stated that he was compelled to have the U.S. President's visit postponded because he had not absolutely sure of policing operations, and in this respect he acted right. The outbreak of any unfortunate events during the visit of President Eisenhower results in developments totally contrary to the original aim of the visit to strengthen friendly relations to the delight of radical elements working to estrange Japan from the United States. There is no doubt that the overwhelming majority of the Japanese people was and is ready to welcome Mr. Eisenhower to Japan. It cannot be denied, however, that the action and speech of groups who feared that Mr. Eisenhower's visit, coinciding with the political confusion in Japan, might be utilized for the support of Kishi regime, came strongly to the surface. Such groups were represented not only by the Socialists and Sohyo, but also by the anti-main-current factions within the ruling Liberal-Democratic Party. There are also many who wished the deferment of the visit from the pure spirit of friendly concern that the postponement would avert the possible breach of etiquette in the course of Mr. Eisenhower's sojourn here. The visit scheduled after all was ill-timed.

FREEDOM IN EXCESS

IT is noteworthy that the mass movement against the Kishi Government and the U.S.-Japan Security Pact was quickly and ingeniously forged into the anti-American drive on the occasion of the scheduled visit of President Eisenhower. The progress of this manipulation became increasingly clear by a series of new developments as the date of Mr. Eisenhower's arrival in Tokyo approached, such as the intensification of demonstrations around the U.S. Embassy and the outbreak at the Tokyo international airport at the time of Mr. Hagerty's landing. The visit of Mr. Eisenhower to Japan, announced at the time when the anti-security pact movement was in full swing, offered a golden chance to anti-American influences to link a mass movement. When asked to choose between the Communist bloc and the camp of free democracies, the absolute majority of the Japanese people is sure to name the latter. Even those on the side of free democracies, however, may be opposed to the security pact or in favor of the resignation of the Kishi Cabinet. These three problems, therefore, should be considered separately. In popular campaigns for getting the signatures of passers-by or union members in support, however, these three problems, or two of them in some cases, are generally combined together in the "package slogans." The mechanism of signature-collection drives is so ingeniously contrived that signers in support of only one of the three proposals are taken to support the "three in package" when they have once signed. When trade unions conduct movements for wage raises, the slogan lists the wage boost and the anti-Security Pact demand together, and workers in favor of the wage increase are taken to be opposed to the security treaty. Workers let the slogan go as it is, as they want wage raised any way, and the opposition to the security pact is declared as the unanimous resolution of trade unions concerned. With all trade unions following this formula, it is superficially shown that all unions are against the security pact. It is only natural that foreigners not well acqainted with practices Japanese should be easily deceived into believing that all Japan is opposed to the security pact and anti-American, as even the Japanese are mostly ignorant of this contrivance. To be exact, disturbances have taken place only in the vicinity of the Diet building and they have been exaggeratedly played up in newspapers. Practically no changes have taken place in the daily mode of popular living. Factories have been kept in full operation without a hitch, and movie houses, theatres and baseball grounds have been packed to capacity.

Freedoms of speech, association and assembly are liberally upheld in Japan, a country where the Socialists, any other parties and even the Communists may take the reins of government if they get the majority in general elections held without any restrictions. Japan is a country entirely different from some countries in which administrators "cannot be criticized." Excessively free, the Japanese people have nothing to fear, and they are apt to go to excess.

Japan's economic growth has been energetic after the war, and the income of the working class has comfortably increased. Summer seasonal allowances for workers this year are estimated some 10–20% higher than those last year. Thus, the Japanese nation is not in the least pressed politically as well as economically. Foreign observers are mistaken if they consider that Japan is destined to follow the same path as South Korea and Turkey.

ANTI-VIOLENCE JOINT DECLARATION BY PRESS

SEVEN leading newspapers published a Joint Declaration urging violence to be wiped out and parliamentarism to be protected under the date of June 17. It appears that the forcible entry into the premises of the Diet building by student rioters on June 15 was too much for the press. The intensity of current mass demonstrations gained further momentum by the solo Diet approval of the new Japan-U.S. Security Pact by the ruling Liberal-Democratic Party led by Prime Minister Kishi in the House of Representatives against the stiff demand by the Opposition for "more exhaustive" deliberation. At the time of the passage of the pact through the Lower House, all newspapers were unanimous in attacking Prime Minister in a tone so bitter as to minimize or even almost completely ignore the background which had led the Prime Minister to decide on the solo approval of the treaty, that is, the Socialist filibusterism by violence. And many are still critical of Mr. Kishi's action alone. Had newspapers been judicious enough to attack the Socialist violence within the Diet chamber with the same bitterness as they flayed the Prime Minister at that time, the situation would not have become so critical. While newspapers were tolerating the recourse to violence by a section of the masses to force their claims through which they were unable to achieve by virtue of speech by calling them in such ambiguous terms as "demonstrations" or the "use of force," the public in general has been led to become acquiescent to the use of violence. The use of violence, if repeated with impunity, would tend to benumb the popular mind and pave the way for greater violence. Violence should always be nipped in the bud. It is apparent that newspapers have so far tolerated the use of violence as being made justifiable by Mr. Kishi's action, and this attitude of newspapers may be said to have fomented the increasing recourse to violence. Since the bloody outbreak at the Diet premises on June 15, however, the tone of press editorials has made a big change. We do not mean that newspapers were not opposed to the use of violence. It is true that they denied violence, but their denial was not driven home to the public mind as their claim for the wiping out of violence was overshadowed by their criticism of Prime Minister Kishi. The fact that newspapers have thus become conscious of this failure will certainly go a long way toward improving the situation.

TWO ZENGAKUREN

ESPECIALLY notable among the recent cases of violence by demonstrators was the recourse to mass violence by Zengakuren, (the National Council of University Students). It is not too much to say that Zengakuren has responsible for almost all the recent cases of mass violence. In the camp of Zengakuren, however, the main-current faction and the anti-main-current faction follow entirely different guiding theories and action policies (See the March, 1960 issue for "Zengakuren"). The anti-main-current faction was responsible for the riot at the Tokyo international airport at the time of the arrival of Mr. Hagarty on June 10, but the outbreak in the premises of the Diet building on June 15 was attributable to the main current faction. The two outbreaks are well indicative of the two different ideological flow within Zengakuren. The anti-main-current faction, which had stood behind by branding the excesses of the main-current faction as the ultra-leftist adventurism, resorted to the worst of violence at the time of Mr. Hagarty's arrival, but this is not in the least surprising. In view of the great importance attached by the Japan Communist Party to the struggle against the United States, it was only natural that the anti-main-current faction with its members formally listed with the Communist Party should have worked to prevent President Eisenhower's visit to Japan. In contrast, a group of Trotskyist students who bolted the Communist Party forms the neucleus of the main-current faction. The latter faction holds that its radical action is just a means for enabling the laboring class to establish a beachhead for revolution, and brands the "Hagarty case" as a nonsensical intrigue of the Communist Party which unnecessarily directed the energy of the masses toward anti-Americanism. The two factions thus have been acting under entirely different guiding principles. For other student demonstrators not ideologically linked with the two factions, however, there are no particularly profound ideological backgrounds when they join one faction or another in mass drives. They join in the drives of either of the two factions on simple motives, and such students account for the majority of young demonstrators. In Japan where the educational level is extremely high, university students are still regarded as immature in society, and, they cannot lead public opinion, a state entirely different from that in South Korea or Turkey. In truth, public opinion is frowning upon the excesses of students. In the current drives, trade unions and some other organizations are acting with students as they are following the common campaigns against the security pact and the Kishi regime. Hence, mass movements in Japan are bound to become normalized with the steady exit of common struggle goals through the resignation of Prime Minister Kishi, the holding of a general election, and the effectuation of the new security pact.

Business Indicators

The recent trend of national economy is featured by the continued increment of ultimate demand, the apparent standstill of production and shipments, the upward march of manufactured goods inventories, and the bearish movement of wholesale prices. It may thus be noted that the signs are becoming steadily manifest that business, on the sound hike for some time, has begun to mark time, although it remains to be seen whether such signs are just temporary in nature or bound to continue.

Production & Shipments :—The production index for April (mining and manufacturing inclusive : 1955=100 : seasonal variations adjusted) stood at 215.8, receding marginally by 0.8% from March, but up 29.7% over a year ago. Industrial production has continued almost static since February, and the standstill in outputs became more notably apparent in many branches in April. Iron and steel products and petroleum, on the active gain for several months, registered partial slips in April, and nonferrous metals, coal products, textiles, paper and pulp, cement and lumber also dived comfortably. On the other hand, machinery alone continued to swell at a fair tempo. The index of producers' shipments (1955=100 : seasonal variations adjusted) took almost the same course with April registering 193.8, down 1.2% from March to continue the dip since February, this year. April shipments, when studied by individual industries, however, presents a picture somewhat different from production, as iron and steel products, machinery, chemicals and cement receded perceptibly. Coal, however, continued active with the April shipments reaching 4,194,000 tons.

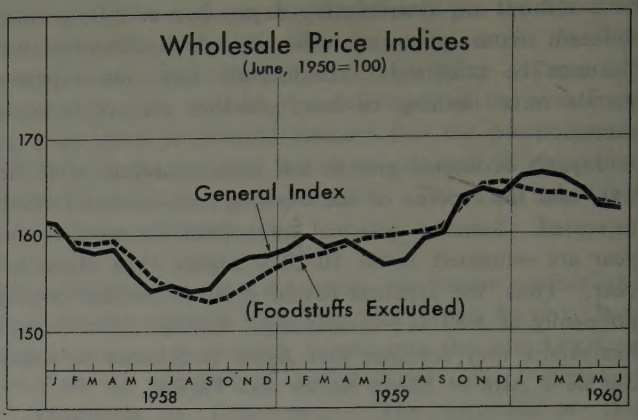
1. Production, Shipment & Inventory Indices

(1955=100)

	Production*	Producers' Shipments	Inventories (A)	Inventories (B)
1959—April	167.0	156.7	146.3	163.7
May	173.5	160.1	146.8	167.1
June	181.1	167.4	147.2	168.3
July	183.6	169.8	147.5	170.9
August	184.8	172.6	150.7	171.5
September	189.7	177.3	153.6	176.3
October	191.4	180.7	161.8	175.0
November	198.2	186.5	162.1	176.3
December	202.4	189.0	162.2	179.9
1960—January	211.1	196.0	167.1	183.1
February	217.3	197.2	169.6	188.1
March	217.6	196.2	171.7	194.3
April	215.8	193.8	174.3	191.4

Notes: *Mining and manufacturing inclusive: All indices adjusted to seasonal variations: Inventories A...Manufactured goods: Inventories B ..... Raw & processed materials: April (1960) figures preliminary.
Source: Ministry of International Trade & Industry.

Inventories :—With production marking time but shipments retreating at a faster tempo, inventories of manufactured goods in hands of producers hiked appreciably with the April-end index (1955=100 : seasonal variations adjusted) registering 174.3, up 1.5% over a month ago. Manufactured goods inventories, on the steady increase since May, 1959, have accelerated the rising pace since the early part of 1960. On the group list, however, coal stocks at the end of April dwindled to less than one-half of the level a year ago, but the inventories of manufactured goods increased by 23.9% in the corresponding period with iron and steel products, machinery and petroleum products particularly up by about 40.0% in the past one year, and cotton spinning also swelling by more than 30.0%. As the scale of shipments has comfortably increased in the interim, bulging inventories do not necessarily mean excessive surpluses, but the signs of oversupplies have already become partially noted for textile goods, pulp, and steel products, and production cutbacks have been urged in some sections such as woollen yarn and designated steel products. The index of raw and processed materials inventories (1955=100 : seasonal variations adjusted) stood at 191.4, retreating by 1.5% from the preceding month, apparently because of a lull in their imports as production and raw materials consumption have come to a standstill at a high level. According to present indications, however, raw materials stocks in hands of producers are not likely to run short of demand for the time being.


Wholesale Price Indices
(June, 1950=100)
170
160
150
General Index
(Foodstuffs Excluded)
J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J
1958
1959
1960

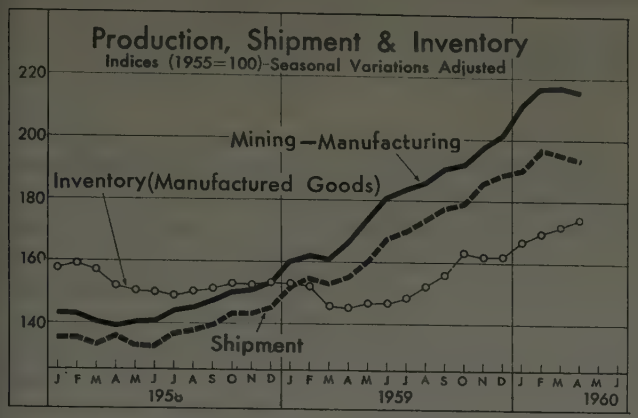
Wholesale Prices :—Wholesale prices, bearishly stable since the start of the year, continued soundly soft from April through May, and the weekly wholesale price index (June, 1950=100) for the first week of June stood at 162.5, registering a marginal loss of 0.1% from a month ago. Studied by component groups, foodstuffs and sundries alone recovered slightly in the preceding one month while other groups either remained unchanged or weakened. The composite index with foodstuffs excluded

2. Weekly Wholesale Price Indices

(June, 1950=100)

	May 1st Week	June 1st Week	Compared with May 1st Week	Compared with January 1st Week
Composite	162.7	162.5	(-) 0.1	(-) 1.8
Foodstuffs	161.2	162.1	(+) 0.6	(-) 3.6
Textiles	77.2	76.5	(-) 0.9	(-) 4.1
Fuels	169.5	169.5		(-) 0.9
Metals	238.2	236.5	(-) 0.7	(-) 2.0
Machinery	186.8	186.3		(-) 0.5
Bldg. materials	271.0	270.8	(-) 0.1	(-) 2.7
Chemicals	104.1	103.8	(-) 0.2	(+) 1.8
Sundries	148.0	148.3	(+) 0.2	(-) 0.1
Composite (exclusive of foodstuffs)	163.1	162.7	(-) 0.3	(-) 1.4
Producer Goods	171.0	170.6	(-) 0.3	(-) 1.3
Consumer Goods	147.8	148.2	(+) 0.3	(-) 2.9

Source: Economic Planning Agency.



slipped 0.3% during the one month since early May. Compared with the position in mid-January, the first-week (June) index was 4.1% lower for textile products, 3.6% down for foodstuffs, 2.7% less for building materials, and 2.0% weaker for materials. It is noted that the groups which had soared energetically from the fall of 1959 through the year-end made particularly comfortable declines. The weakness of steel products and textile goods is well reflective of somewhat excessive supplies.

Foreign Trade :—Japan's exports in May totalled $ 311 million, up marginally by $0.6 million or 0.2% over the April figure, according to customs statistics, while the imports in the same month stood at $ 385 million, up $29.5 million or 8.3%. On the list of major exports in May, textile goods and steel products made fair gains, but machinery (especially ships) dived sharply. In contrast, all cardinal items on the May import list, such as fibrous raw materials, iron ore, scrap steel, crude oil and machinery, increased in unison. As compared with the corresponding month in 1959, the May exports were 12.1% larger in value, and the imports were also 19.4% bulkier, although it is noted that the rising pace of exports has begun to slacken. Held responsible for this trend is the steady decline of export prices since the start of calendar 1960, although the standstill of the sales to the United States has offered a partial damper. On the contrary, the prices of imported goods have continued bullish, barring unconditional optimism as to the balance of international payments in 1960. The Government, however, takes a view that the international payments balance will continue to stand in the black in view of the expected receipt excess in invisible trade. Meanwhile, Japan's foreign currency holdings have continued increasing with the May-end total reaching some $ 1,419 million.

3. Foreign Trade & Foreign Currency Holdings

(In $ million)

	Trade*		Foreign Exchange Balance**	Foreign Currency Reserves
	Exports	Imports		
1959—Apr.	261	299	35	1,009
May	378	322	64	1,073
June	273	325	32	1,105
July	300	314	97	1,201
Aug.	301	290	(-) 20	1,181
Sept.	283	299	28	1,209
Oct.	345	298	41	1,250
Nov.	293	290	41	1,291
Dec.	394	373	30	1,322
1960—Jan.	218	331	6	1,328
Feb.	318	364	(-) 7	1,321
Mar.	350	435	31	1,361
Apr.	311	355	22	1,385
May	311	385	—	1,419

Notes: *As creared by customs:
**(-) payment excess: others receipt excess.
Source: Ministry of Finance.

Orders for Machinery :—With almost all economic indicators pointing to the partial standstill of economic operations, orders for machinery alone have continued bulging at a brisk pace. According to the Economic Planning Board (based on reports by 127 key manufacturers), new orders for machinery (exclusive of steel ships) received in March, this year totalled ¥82,100 million, registering a marked increase of 35.0% over February. The monthly average of total orders in the first three months this year (January through March) also stood at ¥76,500 million, up nearly 10.0% over the preceding quarter and 59.0% larger than the corresponding quarter in 1959. Although the production capacity of machinery has kept on expanding, the volume of new orders has eclipsed the sales frame since the second half of 1959, and the backlog of outstanding orders has been swelling. The Economic Planning Agency, however, is reported to be of opinion that the inflow of new orders for machinery has hit the ceiling, while it is predicted in a section of economists that business will begin to take a downward turn in the second half of fiscal 1960, and that the state of overproduction may ensue from the energetic expansion of production equipments.

4. Orders Received & Sales in Machinery Industry*

(In ¥100 million)

Monthly Average	Orders received	Sales	Backlogs
1958—Jan.-Dec.	323	395	3,730
1959—Jan.-Mar.	436	385	3,974
Apr.-June	452	435	4,083
July-Sept.	545	447	4,448
Oct.-Dec.	606	494	4,914
1960—Jan.-Mar.	682	581	5,307
Jan.	618	427	5,160
Feb.	607	601	5,182
Mar.	821	715	5,307

Notes: *Figures for 127 major companies: exclusive of steel ships.
Source: Economic Planning Agency.

Money Movement :—In order to cope with the possible advent of a recession, therefore, it is urged in some monetary circle that money should be made easier by the lowering of money rates, including the Bank of Japan discount rates, for further spurring investments. As far as the money market is concerned, however, there are no signs that a recession is around the corner. Money eased somewhat in April due to a partial excess of financial fund payments, over withdrawals, but quickly tightened in May when the public-to-Treasury balance reached ¥41,900 million and the demand for funds swelled. Taking the All Banks Accounts, for instance, the increase of loans reached a huge total of ¥106,100 million, well in excess of the gain of ¥85,800 million a year ago, as the demand for funds for equipment investments and running expenses grew. This tendency has continued into June. The Bank of Japan note issue at the end of the second week of June reached ¥792,900 million, increasing by ¥98,700 million or 12.8% over a year ago, well indicating the strong demand for industrial funds as well as the increment of national purchasing power. Hence, no immediate lowering of money rates to unnecessarily stimulate business operations appears likely.

Money & Banking

Stiffened :—Money, which had grown easy in April became stiff again in May. The reflux of bank notes, however, continued favorable until the middle part of May, and payment reserve deposits by commercial banks with the Bank of Japan were bulky in the latter half of April. In the absence of particular restraints, therefore, the money market fared comparatively calm throughout May, although monetary operations tended to grow busier in the latter part of the month as the note issue swelled at a faster tempo.

Note Issue Level Up :—The volume of notes in circulation would usually dwindle in Japan in May after the seasonal expansion in April which marks the start of a new fiscal year. Hence, the Bank of Japan estimated that the reflux of notes in May would reach ¥50,000 million, but the actual reflux for the month was restricted to ¥35,000 million, slightly larger than the corresponding figure of ¥30,000 million a year ago in May, 1959. While the demand for Bank of Japan notes a year ago was not sizable and the poor reflux was not particularly noteworthy, the recent movement of bank notes deserves close attention. Meanwhile, the note issue in May this year was 17.7% larger than a year ago and the average monthly balance was also 17.2% bulkier. Held basically responsible for the latest trend of bank notes is the steady increase in income parallel with the expansion of the nation's economic scale. As consumption has accordingly swelled, the scale of bank note circulation has consequently soared. The attempt by provincial banks to replenish cash holdings in the areas hit by one of the worst tidal waves in history in the northern part of the country for loans to sufferers and earlier payments of seasonal bonuses on the spur of a business boom were other factors which forced the poor return of notes to the central bank.

Financial Funds :—The excess of financial fund withdrawals over payments in May reached ¥41,900 million, almost equal to the original estimate of ¥40,000 million and nearly thrice the like excess of ¥14,400 million a year ago. The bulky excess of withdrawals was chiefly attributable to the fair inflow of tax payments which in May totalled ¥86,600 million (as compared with ¥67,200 million a year ago). Fair increases were also noted in the receipts by the Treasury from special budgetary sources such as the food control special account at ¥36,500 million (¥34,200 million a year ago), Government monopolies at ¥16,100 million (¥14,000 million), postal life insurance at ¥15,900 million (¥13,300 million), National Railways at ¥8,800 million (¥6,500 million), and the Public Telegraph and Telephone Public Corporation at ¥4,800 million (¥1,000 million). As a result, the public-to-Treasury balance reached a bulkier total in May than a year ago despite comfortable gains in governmental payments for public works, compulsory education, and other budgetary expenses.

BOJ Loans :—With the reflux of notes to the Bank of Japan at ¥34,500 million and the withdrawal excess of financial funds at ¥41,900 million, the demand for funds in May exceeded the supply by ¥7,400 million, but the loans extended by the Bank of Japan during the month dwindled by ¥100 million, as minor fund releases were made in various forms. The decrease, however, was far less than the originally-estimated slip of ¥15,000 million, and the outstanding balance of BOJ loans also remained on the ¥300,000 million mark throughout the month, a sharp contrast to the ¥12,000 million decrease in April. As of the end of May, the outstanding loan balance at the central bank stood at ¥334,600 million, some ¥20,000 million larger than a year ago at ¥315,300 million.

Bankers Meet :—How to accelerate the slip of money rates in order to cope with the rising march toward trade and exchange liberalization was the main subject discussed at the 14th National Bankers Convention held in Tokyo on June 6. Commenting on this problem, Finance Minister Eisaku Sato told bankers at the convention that it is not advisable to have money rates lowered artificially, although they should be rationally brought down closer to the international levels step by step. As the first step toward this goal, Mr. Sato said, efforts should be earnestly directed toward increasing the supply of funds through replenishment of net worth, encouragement of savings and induction of sound foreign capital, and equitably balancing the fund supplies and demands by curbing excessive fund requirements. Banks on their part should also work for the rational retrenchment of expenses to invite the climate favorable for the lowering of money rates, the Finance Minister added.

Touching on the same subject, Governor Masamichi Yamagiwa of the Bank of Japan urged that money rates should first be made more elastic before they are lowered in preparation for exchange liberalization. Although the money rate policy in Japan has become increasingly elastic in recent years, but the money rates have not as yet grown flexible enough to fluctuate freely in compliance with the movement of fund supplies and demands on both short-term and long-term money markets, Mr. Yamagiwa asserted, adding that the restoration of full flexibility to money rates is of primary importance at this stage.

Money in May

(In ¥100 million)

	May, 1960	May, 1959
Financial Funds	△ 419	△ 144
BOJ Loans	△ 1	△ 120
Other BOJ Accounts	75	△ 34
Note Issue	△ 345	△ 300
Note Issue Balance	8,699	7,388
BOJ Loan Balance	3,346	3,153

Note : △ decrease or withdrawal excess.
Source : *The Oriental Economist.*

Stock Market

Fluctuations :—The Tokyo stock market was subject to a series of wide fluctuations from May through June. With the first peak of the year at ¥1,109.47 registered on May 7, the Dow-Jones average of 225 pivotals underwent six successive changes in excess of ¥10 each from May 10 through June 1, and finally hit the low at ¥967.22 on June 2. The post-collapse recovery, however, was energetic, and the average returned to the ¥1,060.00 mark on June 8, thus retrieving about two-thirds of what it lost (¥142.25) within less than a week. Noteworthy is the fact that the cumulative slip in May through June was entirely different in character from the cumulative fall at the close of 1959. Analyzing the two collapses, it is noted that the sharpest fall of the Dow-Jones average in the present collapse came at the afternoon session of the Tokyo Securities Exchange on June 2 when the average stood at ¥925.05, or a loss of 16.5% from the May 7 high. In the collapse in last December, the low stood at ¥834.11 on December 21 from the November 30 peak of ¥976.93, or a decline of 14.6%. The average yield of all stocks listed with the Tokyo Securities Exchange, on the other hand, rose from 3.6% at the May 7 peak to 4.1% at the June 2 botton. In the collapse last December, leading shares such as steels, motors, heavy electric machineries, and petroleums registered bulky declines while in the present collapse the fall was particularly sizable for other growth stocks and major blue-chip shares in the international limelight. In another comparison, individual issues which declined more than 40.0% (from the previous peak) were comparatively restricted to selected leaders (such as Isuzu Motor) in the collapse last December, but many other popular issues slipped by 20% to 30% much to the dismay of non-professional investors. In the current collapse, many leading issues receded by more than 40.0% apparently through manipulations by professionals.

Decline Rates of Major Stocks

Issues	Dec. 21 Declines*	Issues	June 2 Declines*
Isuzu	¥116 (42.0%)	Sony	¥828 (57.0%)
Sony	313 (39.0)	Riken Kogaku	285 (50.0)
Nissan Motor	132 (38.0)	Honda Giken	329 (47.0)
Toyo Kogyo	125 (37.0)	Nippon Electric	313 (44.0)
Nippon Kogaku	59 (36.0)	Nippon Kogaku	95 (41.0)
Toa Nenryo	134 (34.0)	Mitsubishi Realty	115 (41.0)
Nippon Light Metal	175 (34.0)	Nippon Gakki	372 (40.0)
Nippon Oil	100 (33.0)	Tokyo Marine & Fire	117 (40.0)
Mitsubishi Shipbuilding & Engineering	40 (33.0)	Sumitomo Electric	105 (39.0)
Teikoku Rayon	59 (33.0)	Mitsui Bussan	199 (38.0)

Source: Compiled by The Oriental Economist.
*Declines from the preceding peaks.

Three Causes :—Three cardinal factors are generally held responsible for the latest collapse of the Dow-Jones average. The first deterrent came from "within the stock market." In other words, the market grew bearish in reaction to the continued spell of excessive bullish operations. For instance, the outstanding balance of loans by the Japan Securities Finance Co., which was below the ¥20,000 million mark in January, this year, reached a new all-time high at ¥29,300 million on May 2. Although the balance began to dwindle somewhat following the first fall of stock prices on May 10, buying operations continued almost unabated. With the Dow-Jones average slipping from the month's high at ¥1,109 on May 7 to ¥988 by the end of the month, the outstanding balance of N.S.F. loans declined by more than ¥4,400 million to the month-end total of ¥24,800 million in the corresponding period. In the interim, credit selling transactions markedly receded, but credit buying operations remained almost unchanged, and the ratio of the balance of stocks bought to the balance of stocks sold stood at 28-fold against the normal ratio of about 15-fold. The aggravation of the movement of stock transactions on the market was ascribable partly to the overestimation made by securities circles of the result of the American financiers' visit. Japanese securities circles committed a big blunder by expecting too much from a group of American financiers who visited Japan just to sound the investment possibilities in Japan without having any definite plans. It was under this mistaken impression that traders hastened to buy any stocks superficially appetizing to foreign investors as "international shares" in entire disregard of acceptable yield points. Such ventures was not expected to last long. The second major damper to stock quotations was the increasing instability of the political situation both at home and abroad. Following the rupture of the Paris summit talks, the intensification of a cold war has come to be generally feared, and the possible deadlock of East-West exchanges as a result served to dampen the market.

What played the most important role in forcing the collapse of stock prices, however, was the increasing confusion of domestic politics surrounding the ratification of the new Japan-U.S. security pact. Traders feared that the proposed resignation en bloc of Socialist members of the Diet and the exit of the Kishi Cabinet, if realized, would acutely affect the stock market. It was in these circumstances that the stock prices were subject to a drastic fall on the Tokyo securities market on June 2, two days before the anti-pact general strike on June 4.

The third damper may be traced to the pessimistic views taken of the general business outlook in the second half of fiscal 1960 (October through March). In truth, opinons were widely divided on the course which business may take in the second half. In some sections, it was predicted that the abnormal expansion of production would compel the international payments balance to run widely into the red while others opined that production, on the incessant hike, would result in oversupplies to invite a recession.

Investment Trust :—The fair showing of closed-end type subscriptions and the dullness of open-end type transactions were the contrasting features of investment trust business since April. New establishments of closedend

Investment Trust Subscriptions
(In million yen)

	Closed-end Type			Open-end Type		
	Established	Cancelled	Balance	Established	Cancelled	Balance
1959-Aug.	12,220	4,953	226,800	4,275	—	50,137
Sept.	14,680	6,687	234,793	2,531	—	52,668
Oct.	15,020	5,321	244,492	2,577	—	55,245
Nov.	15,320	4,806	255,007	1,965	—	57,210
Dec.	14,810	4,769	265,048	7,824	—	65,034
1960-Jan.	15,290	5,592	274,747	7,372	—	72,406
Feb.	14,870	6,212	283,405	2,867	—	75,273
Mar.	12,480	7,421	288,464	1,527	—	76,801
Apr.	15,510	7,201	296,772	571	—	77,371
May	16,000	5,867	307,105	472	1,627	76,216

type contracts in May totalled ¥16,200 million, increasing ¥690 million over April while cancellations in May stood at ¥5,867 million, ¥1,554 million less than the past peak in March. As a result, the net increase in closed-end type subscriptions in May registered ¥10,333 million, more than ¥2,000 million larger than the April gain. On the other hand, open-end type transactions in May registered a loss of ¥1,155 million, as new establishments were restricted to ¥472 million against cancellations at ¥1,627 million.

Transitions of Week-End Stock Prices

(Old Dow-Jones Average)

	April		May					June	
	23th	30th	7th	14th	21th	28th	4th	11th	18th
Average of 225 Pivotals	1,088.12	1,091.21	1,109.47	1,065.67	1,041.59	1,044.49	1,018.99	1,046.63	1,024.84
Fisheries	168.24	175.93	184.46	175.06	172.51	165.66	163.98	169.09	170.80
Mining	336.61	338.56	356.31	352.47	342.79	330.44	327.72	326.20	318.47
Foodstuffs	2,361.55	2,372.23	2,382.51	2,312.45	2,306.22	2,269.57	2,313.34	2,863.33	2,335.10
Textiles	594.96	587.96	651.53	629.71	597.10	577.43	586.12	600.58	585.50
Paper, Pulp	699.49	687.17	746.20	715.86	695.36	678.99	669.15	676.51	662.61
Chemicals	603.32	613.69	639.72	626.80	592.16	557.21	567.25	588.82	565.20
Petroleum, Coal Products	2,641.08	2,699.56	2,787.29	2,909.46	2,752.72	2,521.51	2,635.76	2,773.92	2,603.91
Glass, Clay, Stone Products	2,311.50	2,269.66	2,322.98	2,170.46	2,227.82	2,202.42	2,245.94	2,255.75	2,182.72
Primary Metals	319.15	318.72	326.28	320.35	319.76	305.66	308.34	317.84	311.72
Machinery	1,095.84	1,144.37	1,127.63	1,041.33	1,012.67	971.91	1,009.15	1,048.92	1,043.88
Electric Machines, Tools	1,217.24	1,233.54	1,227.77	1,108.55	1,089.82	1,042.15	1,077.90	1,122.86	1,098.94
Transportation Machinery	693.11	694.83	698.71	675.72	659.47	620.64	623.41	655.43	628.34
Precision Machines	1,085.38	1,062.24	1,037.79	992.80	981.23	898.91	891.19	905.33	910.49
Other Manufactures	1,976.55	1,936.99	1,935.67	1,752.44	1,723.74	1,695.05	1,721.76	1,771.23	1,817.25
Commerce	2,198.99	2,200.73	2,192.57	2,078.29	1,982.61	1,923.13	1,948.80	2,054.92	1,991.96
Banking, Insurance	835.01	831.83	835.75	795.11	760.84	753.66	750.48	768.02	747.29
Real Estate	3,361.70	3,320.44	3,291.86	3,339.51	3,228.41	3,098.23	3,123.64	3,180.75	3,133.15
Land Transportation	657.82	653.15	654.72	657.38	628.80	617.71	619.72	621.94	611.97
Ocean Shipping	164.59	170.26	167.85	167.00	167.40	162.93	156.05	158.46	152.78
Warehousing	1,392.08	1,359.15	1,369.05	1,326.23	1,257.15	1,197.90	1,191.30	1,155.08	1,145.25
Electricity, Gas	220.74	221.27	227.14	223.86	221.73	221.79	220.12	221.10	219.33
Services	437.19	437.81	448.74	454.58	460.68	447.95	446.97	444.47	446.70

Note: Stocks listed with the Tokyo Securities Exchange.
Source: Tokyo Securities Exchange.

Errata:—The number of shares handled by **Nikko Securities Co.** should have been 15,180,000,000 instead of as printed in Page 345 of June issue; while the number of shares handled by **Yamaichi Securities Co.** should have been 9,100,000,000 instead of as printed in Page 347 of June issue.

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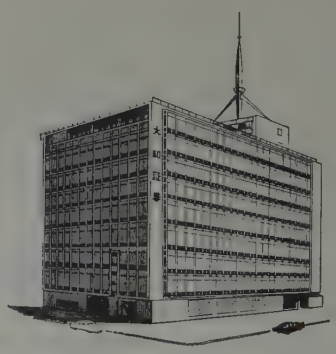

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Birth of Free Yen Accounts

The start of the use of Japanese yen in international exchange transactions and the establishment of transferable "non-resident free-yen accounts" are considered highly significant in Japan's endeavor for trade and exchange liberalization. How, then, will such new liberalization steps influence the future course of Japan's economy, and how will they change the trend of "hot money" seeking to profit from money rate fluctuations in different countries?

Yen Exchange & Free Yen Accounts

The Government finally decided to permit the use of Japanese Yen in international transactions as from July 1. Although exchange liberalization resulting from the new step is still restricted in scale, it is none the less epochal in importance as it enable Japanese Yen, orphaned on the international money market for nearly 20 years throughout and after the Pacific War, to take the first step again in world transactions. Roughly speaking, liberalization of exchange is taken to comprise three phases, namely: liberalization of possession of foreign currency, free convertibility between domestic and foreign currencies, and the freedom of exchange rate fluctuations. There are certain limits, however, to liberalization of foreign currency possession and that of exchange rate fluctuations. Hence, it is generally considered that exchange liberalization principally means the return of convertibility between the domestic and foreign currencies. Regarding the liberalization of foreign currency possession in Japan, the possession by trading houses has been partially liberalized already, but it can hardly be expected that the privilege may be extended to the public in general. Similarly, the fluctuations of foreign exchange rates have been partially liberalized, but the range of such fluctuations is still restricted in substance to 1.0% above or below the IMF parity, thus showing that there is a limit to liberalization in this phase. In Japan, the range of fluctuations is still restricted to 0.5% above or below the IMP parity, and further liberalization may be urged sooner or later, although the Government so far has refrained from touching on this point. In the process of currency convertibility liberalization, the privilege is generally recognized first to foreigners in countries in Western Europe, and Japan is also following this formula.

Establishment of Free Yen Accounts

The establishment of free yen accounts marks the advent of a system under which the yen currency has been made freely convertible into any foreign currency: the return of convertibility to yen, in other words. The new system, as announced by the Government, still places the following three restrictions: 1) The restriction on possessors: possessors are restricted to non-residents (corporations or individuals without residence in Japan, foreigners in most cases; 2) The restriction on acquisition: the yen currency is not recognized as free yen unless acquired through the following three procedures—a) Yen received by non-residents in lieu of foreign currency remittances; b) Yen received by non-residents in payment for current transactions (for the exportation of goods to Japan, freight and insurance charges, etc.) and others authorized for remittances in foreign currency under the Foreign Investment Law; and c) Yen transferred from other "free-yen accounts": 3) The restriction on operations: Employment of funds in free yen accounts for investment in securities and trust transactions is not permitted, although non-residents are allowed to open "free yen accounts" with any authorized exchange banks in Japan in any deposit form. In sum, the system is so arranged as to enable foreigners who bring foreign currency into Japan or receive the yen currency in current transactions to take back foreign currency freely at any time.

Induction of Yen Exchange

Induction of yen exchange pursues the end opposite to the objective of the establishment of free yen accounts. Since the war's termination, the use of the yen currency for transactions with foreign countries was legally banned until June 30, this year, as yen was not included in the group of "designated" currencies for settlement under the Foreign Exchange Control Law. As from July 1, however, yen was added to the list of "designated" currencies and settlement via free yen accounts has been recognized as a "standard settlement." This marked the start of induction of yen exchange. As from July 1, therefore, trade transactions with foreign countries may freely be conducted and settled in the yen currency. Foreigners can receive payments for their exports to Japan in yen and can also make payments for their imports from Japan, inclusive of freight and insurance charges, in yen in free yen accounts. Hence, yen in free yen accounts may not necessarily be converted into foreign currency, and it becomes necessary to increase yen exchange transactions in order to widen free yen accounts.

Money Rate Privileges

To encourage active yen exchange transactions, the Bank of Japan has decided to extend preferential treatments to yen exchange transactions, as follows: 1) Yen usance export bills will be discounted on the same basis as export advance bills eligible for rediscount by the Bank of Japan, at ¥0.015 per diem (5.475% per annum). When exchange banks discount yen usance export bills received from Japanese exporters, such exchange banks are required to make advance payments in yen funds until bills become due. Hence, exchange banks, unless equipped with sufficient funds, are apt to become short of funds unless they are unable to encash such bills before they fall due. In London and New York, exchange banks get such bills discounted in the discount market. In the

absence of a discount market in Japan, therefore, the Bank of Japan is called upon to rediscount them. The rediscount rate of ¥0.015 per diem is thus the same as that for export advance bills recognized by the Bank of Japan as being eligible for rediscount (that is, the bills drawn by exporters to get loans from banks for funds to purchase export goods). In other words, yen usance export bills at this stage are treated on the basis equal to export advance bills. Thus, export advance bills and yen usance export bills are similarly termed as export bills: 2) Yen usance import bills are authorized for collateral loans on the same terms as for the import settlement bills at ¥0.02 per diem (7.3% per diem). Import settlement bills are drawn by importers in order to make loans from banks for raising funds necessary for settling foreign currency bills. Yen usance import bills similarly are treated as coming under yen financing operations. Hence, import settlement bills and yen usance import bills are both called import bills. How, then, are the possible effects of the advent of free yen accounts and the adoption of the yen exchange on the future course of the Japanese economy? Let us take a brief glance.

Abstractly speaking, the inflow of foreign funds through the induction of the yen exchange may work to lower money rates in Japan, or the yen exchange, if rationally utilized, may invite various advantages. What, then, are the concrete repercussions?

Yen as Local Currency

Advantages resulting from the use of yen exchange may be roughly designated as follows: a) Foreign currency can be economized; b) Exchange risks are made dispensable, as the Japanese side is not required to convert foreign currency into yen; c) Yen transactions are made with other foreign currencies on overseas markets. In consequence, the yen exchange market is expanded, and the exchange rate for yen is stabilized; d) Japan can receive various commissions resulting from yen exchange transactions including the discounting of bills. Generally speaking, however, not much can be expected from the utilization of yen exchange. Even before the war when exchange transactions were completely unrestricted, yen exchange was not widely used. Settlements by yen exchange once reached about 50.0% of total trade settlements, but it was only in trade with Manchuria and China under specific circumstances. In other cases, yen exchange in those days was used largely for the so-called house bills for transactions between the main offices of trading houses in Japan and their branches abroad. Such house bills could economize foreign currencies in dealings between the main offices and branches, but did not help save foreign currencies used by branch offices in making purchases abroad. In sum, yen is still a local currency from the international standpoint, and foreigners may not make wide use of it, according to certain quarters. Hence, the need of extending yen credits to foreign countries for the wider use of yen exchange may be urged in the future as a pump-priming for "endearing" yen to foreign markets, particularly Southeast Asia.

Money Rates Offers A Brake

The high interest rate on yen export bills is another handicap. As stated, the rediscount rate for yen usance export bills by the Bank of Japan stands at ¥0.015 per diem. When foreign currency usance bills are used instead, the money rates are comfortably lower. As of May 25, such money rates were ¥0.01 for dollar bills, ¥0.012 for sterling bills and ¥0.011 for mark bills. In view of various incidental disadvantages, therefore, yen exchange will be used at least for the time being only for house bills, although the acquisition of internationality by yen through the advent of yen exchange cannot be under-estimated. Some circles advised the lowering of the rediscount rate by the Bank of Japan for the acceleration of the use of yen exchange, but this opinion was rejected for the reason that yen usance bills are financed chiefly on the domestic market and the money rates should be set accordingly on the basis of the current domestic rates. This opinion was opposed on the ground that loans against foreign currency in the case of foreign currency bills are after all yen financing, and are little different from financing for yen bills, and that such an abnormal formula should be stopped before long. It was also asserted that the preferential treatment of yen bills, if extended further, will only be utilized for house bills between the main offices of trading houses and their overseas branches. As house bills do not serve to economize foreign currencies, no further favor is justifiable, it is pointed out.

Whither, Hot Money?

Setting aside the problem whether the inflow of hot money is welcome, it is noted that hot money is attracted by some prerequisites including a) Stabilization of currency value; b) Stabilization of the political situation; and c) Fair yields. Of such prerequisites, the stabilized value of yen cannot be questioned, and the extent of political stability in Japan depends on the judgement of prospective suppliers of hot money. The problem is whether the new system is attractive enough to foreign investors in respect of yields.

Inflow of Hot Money

Before proceeding to study the problem of yields, let us touch upon the processes causing the inflow or efflux of hot money. Hot money pursuing interest margins generally moves from a country of low money rates to a country of high money rates. In this connection, fluctuations of exchange rates exercise a far-reaching influence, as hot money, in order to avoid the risk of exchange fluctuations, usually prefers to conduct swap transactions. Let us take the case of hot money flowing from the United States to Japan. An American who sells dollar to buy yen at the same time sells yen futures (say, three months later) to buy dollar in order to avoid exchange risks and to get the margin without fail. Such practices, if repeated, result in the fall of yen futures quotations in contrast to the value of yen in spot transactions, and the

earned margin will become nil. It is at this point the inflow of hot money comes to a stop. The point at which the margin between the spot and futures quotations becomes equal to the margin between the domestic and overseas money rates is called the interest parity. In the absence of other specific factors, the futures quotation tends to equal the spot quotation at the interest parity. If the spot quotation dives below the interest parity and cheaper yen results, hot money leaves Japan even if the money rates here are relatively high. In other words, the inflow or efflux of hot money depends on the relationship between the fund cost and the swap cost (the margin of the spot quotation plus commission).

Opinion Divided

Opinion is divided as to whether hot money may well find its way to Japan on the spur of the new system. Those opposed to the view that the new system is not attractive enough to encourage the inflow of hot money hold that although free yen accounts include time deposits the term of swap transactions is restricted to six months, and, as a matter of fact, the term of time deposits in free yen accounts is accordingly limited to six months at the longest. With the interest rate for six-month time deposits set at 5.5% per annum, the interest yield minus the interest tax (10.0%) comes to stand at 4.95%. As the interest rate for short-term U.S. government bonds is set at 3.6% per annum (as of early April) and that for like bonds in Britain at 4.65% (as of the same date), and as the interest rates for bank deposits stand at 3.0% and 4.95% per annum in the two countries, respectively, the yield in Japan, when taking into account swap expenses, is not sufficiently attractive. Those favoring the new system as a good attraction to hot money, on the other hand, hold that the yield in Japan, as it is, is still good enough, in view of the fact that a bulky amount of funds is flowing out of the United States to Europe because of the lower money rates in the former country, and such funds, roughly estimated at about £200 million ($ 600 million) are settled in Europe and England as the so-called New Dollar. Japanese exchange banks receiving deposits from such funds at their London branches are paying an interest of 4.5% per annum for three-month time deposits (overseas branches are not placed under the Japanese Deposits Law). In the absence of free yen accounts in Japan until July 1, however, such deposits were employed by those London branches as dollar or sterling funds. Upon the establishment of free yen accounts in Japan, however, exchange banks may bring such funds to Japan, convert them into yen funds, and use them either as high-rate call loans on the domestic exchange market or for repayments to the Bank of Japan instead of employing them as overseas funds. Touching upon swap costs in such cases, forward exchange rates in Japan are left entirely free, but fluctuations of spot dollar exchange rates are restricted within the range of 0.5% above or below the International Monetary Fund parity of ¥360 to the dollar, viz., between ¥361.80 and ¥358.20. With the range of fluctuations thus restricted for spot transactions, therefore, the movement of forward exchange rates are automatically molested. Hence, under the existing exchange system in this country, the margin between spot and forward exchange rates is apt to lose the function of coming closer to the margins between domestic and overseas money rates to the loss of the so-called arbitration process. And this state, according to certain sections, may facilitate the inflow of hot money into Japan. As the exchange market is very narrow in this country, however, spot quotations are apt to move constantly within the restricted range of 0.5% up or down (or the total range of 1.0%), and, on the basis of the fluctuations of spot quotations, forward rates are equally subject to frequent ups and downs. The margin between spot and forward rates, if calculated under the most disadvantageous conditions, is said to stand at 1.0% quarterly (by every three months) or 4.0% per year. And the fluctuations are constantly taking place within this range. With the swap cost thus standing at about 4.0% per annum at worst, therefore, hot money may come in on the basis of constant fluctuations with the relations with overseas fund costs taken into full consideration.

Inter-Bank Competition

Because of intensified competitions, banks may try to manipulate spot and forward rates to get the same result as by the larger margins between money rates as a measure for attracting hot money, it is feared in some quarters. Such a practice may become possible only by abnormally narrowing the margin between spot and forward rates and making yen forward rates higher. For instance, let us assume that the margin between the interest yields for 6-month time deposits in Japan and the short-term government bonds in the United States is 1.4% per annum, or 0.7% per six months (per annum). With the spot exchange rates taken to stand at ¥360.00 to the dollar in such a case, the forward rate, based on the said difference in interest yields, comes to stand at ¥362.52, that is, ¥360 + (¥360 × 0.7%) = 362.52, to result in the lower yen. If, on the other hand, the case of the higher yen is taken with the forward rate standing at ¥357.50 to the dollar, hot money can secure the yield differential at the rate of 1.4% per annum, plus the additional margin of 1.4% per year, or the combined total of 2.8%. The Bank of Japan and the Ministry of Finance are well guarded against such a development, and exchange banks are also self-disciplinary so that world investors may not lose confidence in the Japanese money market. In addition to the "New Dollar" from Europe, Chinese capital in Southeast European countries is also eyed by Japanese circles as another source of hot money. In any way, hot money from overseas, if actually inducted into Japan even in a small amount, will inevitably influence the call market here, as the call rate, as a marginal rate, is likely to become lower even by the slight expansion of fund supplies.

1960 White Paper on Trade

The Government on June 3, 1960 released its official report of fiscal 1960-61 on the state of Japan's overseas trade. Together with short and long term analyses of foreign trade during 1959, the "Trade White Paper" gives considerable space to comments bearing upon liberalization of trade and exchange, the biggest economic issue now faced by the nation.

More Exports to the U.S. and General Increase in Machinery Item Sales

The first four chapters of the Trade White Paper are devoted, as is customary, to an analysis of the trend of the world economy in 1959, and of the movements of Japan's export and import transactions. The conclusion is indicated that while export sales are influenced in larger measure by world business activity than by internal economic growth, import purchases are on an uptrend attributable to the changing pattern of Japan's industrial structure; and that Japan's dependence on importation will either mark time at its present level or creep upward at a low rate of climb.

With Japan's export trade in 1959, whereas world trade increased in volume by 6 percent as against the level of 1958 Japan's export sales jumped by as much as 20 percent to achieve the highest postwar volume of $3,460 million, while in quantity of goods sold the prewar record was exceeded for the first time since the surrender in 1945. When this notable increase in exports is analyzed by market, it is noted that sales to North America increased notably, the gain in this sector making up some 70 percent of the total increase of export volume in 1959. Exports to the United States went up 51 percent over the 1958 level to bring sales to this country to a level of $1,030 million, approximately a third of all Japanese exports in 1959.

Sales to Canada also increased by about 50 percent of the 1958 volume; and the White Paper points out that this phenomenal rise in sales to the North American market has given rise to a movement to check the inflow of Japanese products.

A gain in volume of 13 percent has also been achieved for sales to Asian nations other than Communist China; while the increase in exports to the European market was 12 percent, a low rate of gain considering the economic growth of the area and the results of preceding years. Exports to the communist area, reflecting the rupture of trade relations with Communist China, were down some 19 percent as compared with the volume of 1958.

As for the commodity pattern of export trade in 1959, textile goods indicated a strong recovery to achieve a total of $1,030 million, the highest volume since the war. Also notable were the increases registered by such items as ships, light machinery items, steel products, and sundry goods. While the come-back of textiles was truly notable, a major change occurred in content; for while there was a surge in sales of raw silk, silk fabrics, woolen fabrics, and secondary products to industrialized countries, there was a decline in volume of sales to non-industrialized areas of such items as cotton yarn and rayon stable fabrics.

Among machinery items, the relative importance of ships tended to decline, dropping to less than 50 percent for the first time since 1956. This was due for one thing to the big jump indicated by light machinery items. The White Paper also notes that because in recent months the contracts for ships to foreign owners are on the decline the sales outlook for this particular item is far from promising. Among the light machinery items, the star performer is the portable or pocketable transistor radio which, because of superior design and performance, has won wide acceptance abroad. More than $100 million-worth of such radios was exported in 1959, and this may be a foretaste of the future shape of Japan's export trade.

The Ministry of International Trade and Industry goes on in its report to analyze the relationship between export trade and development of the internal economy by means of input-output analysis methods. If the industrial (mining and manufacturing) production growth rate of 1959 at 24.1 percent is used as the index base of 100, the contribution toward this growth of export trade comes to 20.7 percent, in third position after the contributions made by increase of inventories, and by capital equipment expansion.

As for the effect of world business activity on Japan's export trade, the official report states that because domestic business was good there was little or no repression of exports as was experienced in 1958, except in such areas as chemical fertilizer. It is concluded, therefore, that Japan's export trade is affected more by world economic trends than by internal business conditions. This matter requires some clarification.

Increase in Import Purchases and Economic Growth

Japan's import in 1959 came to $3,600 million-worth, 19 percent more than in 1958, but less than the $4,300 million of 1957, the peak postwar year. In actual quantity, however, the level was 26 percent higher than in 1958, and was the highest since the war, exceeding even the 1957 volume. Moreover, says the White Paper, the general trend was one of extreme stability, the reason being that import prices were generally low, with a 5 percent decline occurring during the year. The balance of payments remained favor- able; while caution was exercised in undertaking imports in view of the trend toward liberalization of trade and exchange.

As for the commodity pattern of import purchases, with due allowances made for price fluctuations, while there was a slight decline in the amount of foodstuff brought in from abroad practically all other commodities showed increase. Particularly notable were the gains indicated by such items as metallic ores, metal scrap, mineral fuels, and raw materials for textiles. The increase in machinery

items amounted to only 3 percent, reflecting the 1958 curbing of investment in plant and equipment.

According to the input-output analyses covering increase of imports and the growth of the national economy, the increase in 1959 of imports over the level of 1958 in terms of 1958 prices stood at $790 million. Of this increment, 38 percent was due to increase in consumer spending; 37 percent, to added investment in inventory; 11 percent, to bigger capital spending; while 8 percent was the result of bigger export production.

When the $3,600 million-worth of imports in 1959 is broken down by end-user sectors, it is found that 45 percent was for individual consumption; 23 percent, for capital equipment; 20 percent, for export production; and 6 percent, for inventory boosts. Only in the last named was there any increase over the proportion held during the preceding year.

The Trade White Paper lays considerable stress on analysis of imports by end-use and on the basis of dependence on overseas sources of supply. The key point raised in connection with end use is that as compared to 1957, the year of the *Jimmu* boom, there was in 1959 a notable drop in raw material purchases (for production) to a total of $450 million-worth (from $830 million), One reason for this relatively low level of materials purchases despite high business activity was that whereas in 1957 there had to be imported considerable quantities of steel products, no shortage was experienced in 1959 because Japan's capacity in steel had been built up in the interim. Machinery imports went up 3 percent, an insignificant gain; but since licenses were issued for 38 percent more of such items than in 1958 it can be expected that the volume in 1960 will run high.

Purchases of crude materials in 1959 were 34 percent higher than in 1958, constituting the principal factor causing the increase of imports last year. This was due to the 24-per-cent rise in industrial production; and generally matches the 30-per-cent increase in consumption of imported raw materials. However, because the increase in importation of raw materials was about equal to the gains achieved in production, the ratio of inventories to production showed considerable improvement despite increase in actual overall volume of goods in stock.

Turning next to the problem of dependence on importation, the official report notes that there had been a steady increase of the rate of dependence since the war. This rise is attributable to increases in the requirements for such finished products as industrial machinery and equipment, and mineral fuels. For it is noted that dependence on foreign sources for raw materials for production has not increased in any marked way. One notable tendency of recent years is, says the White Paper, is the fact that the production of manufacturing operations is rising at a rate higher than that of their requirements in imported materials. This is due, for the most part, to the change that has occurred in the pattern of industry, with machinery manufacturing taking on more importance than the operations heavily dependent on imported materials (seven sectors of manufacturing including textiles and rubber products), and with the creation of new industries, such as synthetic chemicals manufacturing and electronics, which tend to work with a low percentage of raw material cost. It is therefore opined that with the growth of manufacturing activity the rate of growth of production will tend to lead that of importation despite increase in importation requirements due to limited domestic resources and to production of more sophisticated items. However, in comparison with the gross national product, the dependence on importation could very well indicate a slight gain because such areas with low rates of growth as farming and the service trades must be included.

Trend of Dependence on Importation

(in $ million)

	1952	1953	1954	1955	1956	1957	1958	1959
Gross National Product	17,916	19,960	20,545	21,988	24,393	26,266	27,321	30,816
Import Volume Cleared through Customs	1,671	2,269	2,352	2,471	3,139	3,916	3,216	3,907
Dependence on Importation (percentage)	9.3	11.4	11.5	11.2	12.9	14.9	11.8	12.7

Notes:—1. Customs clearances figures corrected on basis of 1955 prices at base of 100
2. 1959 GNP computed from January through September results

Sources: Economic Planning Agency and Ministry of Finance

Chapter 5 of the Trade White Paper is an analysis of the pattern of world trade, by area and by commodity, during the past two decades or so; and is a study of whether or not the development of Japan's overseas trade has kept abreast of the changes, as well as a look into the future.

Japan's Trade in Relation to World Trade

In the two decades ended with 1958 the level of world industrial production went up by 130 per cent. In the same period, world export volume increased 83 per cent, mainly during the second decade. Comparison of world trade figures of the post-World War I and post-World War II periods shows that growth was far bigger and more stable during the latter. Another notable feature of the post-World War II period is the big advances made in trade by the industrialized countries.

Japan, of course, has been no exception; but quantity of shipments abroad did not return to the prewar level until 1959, and recovery of trade was far slower than in the case of the European nations. This was due to the backwardness of technology and industrial equipment as well as to the severe blows sustained as a result of the defeat.

And for the changes that have occurred in the markets for Japan's products, whereas in 1938 only 27 percent of Japan's goods were shipped to industrialized countries, as much as 52 percent went to these more exacting customers in 1959. Another major change was the near-total loss of the Korean, Manchurian and Chinese markets, which formerly accounted for 30 percent of Japan's export sales. This loss has been covered by the rise in importance of the North American market, and the continued growth of sales to areas other than North America and Asia.

The Trade White Paper states that the commodity pat-

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tern of world trade indicates a shift from predominance of foodstuff and raw materials to increase in relative importance of fuels and manufactured items, with their respective positions reversed since the war. As for the pattern within manufactured items, whereas from 1951 through 1958 there was a growth, by 76 percent, of the proportion taken up by heavy industrial and chemical products, the ratio to total of the light industrial items remained virtually stable at 3 percent. Growth of volume of heavy industrial products centers around transportation equipment such as ships, motor vehicles, and aircraft; electrical equipment and appliances; and machinery in general. With the light industrial products, the decline of textiles to 15 percent of the total has wiped out the advances registered by other items.

What then is the pattern of commodities shown by Japan's export trade? Whereas before the war heavy industrial and chemical products made up only 20 percent of the total, their contribution to export trade in 1959 stood at 40 percent; while conversely textiles, which made up 52 percent of the total before the war, have dropped to only 30 percent. However, in comparison with the levels achieved by the countries of Europe (West Germany 71 percent, United Kingdom 66 percent, and France 50 percent), the Japanese heavy industrial products ratio is still on the low side.

Commodity Pattern of Japan's Exports

(percentages)

	1934-36	1959
Export Total	100.0	100.0
Heavy Industrial & Chemical Items	19.7	39.8
Machinery Items	7.2	23.4
(Ships)	(—)	(10.3)
Metal Products	8.2	11.6
Chemicals	4.3	4.8
Other Items	80.3	60.2
Foodstuff	9.5	7.5
Textiles	52.0	29.8
Non-Metallic Minerals	2.9	3.6
Other	15.9	19.1

Future Export Problems

The Trade White Paper notes that the patterns of Japan's export trade, by customer and by commodity, have in general changed to be in accord with world trends, but that there also remain quite a number of problems among which the following four are the most important:

1. Japan's dependence on export sales in 1958 was computed at 12.5 per cent, lower than the prewar level. In the case of the countries of west Europe dependence on export has increased notably as compared to prewar, proving that economic growth depends in no small way on development of trade.

2. Although there has been notable increase in the volume of Japan's machinery sales abroad, the bulk of these sales has been in ships which are not too promising at this time. Some other machinery items must be found to replace ships, while it is desirable that heavy industrial products be promoted for overseas use.

3. Japan's export business is still heavily dependent on light industrial products. This is far from good in the light of the fact that the industrialized countries are trying to shut out these items, while in the less developed countries competitive domestic production is on the rise,

4. Japan's share of world trade in 1959 was only 3.4 percent of the total, still below the prewar proportion. When the situation is reviewed by markets, it is found only 0.8 percent of thriving Europe's trade is with Japan, while in the cases of Africa and South America the percentages are respectively 2.7 and 2.1. Development of markets therefore will be necessary.

Needless to say, the main theme of the 1960 Trade White Paper is liberalization of foreign trade and exchange. It is contended that decontrol of trade and exchange is the central trend throughout the advanced areas of the world in connection with international trade; and the authors of the official report say that while there may be some difficulties the only sure way of bringing about Japan's economic growth will be to undertake decontrol. Below are the reasons submitted.

Liberalization the World Trend

The degree of decontrol achieved by the nations of western Europe, which restored convertibility of currencies toward the end of 1958, has advanced notably and positively during 1959; and at the start of 1960 the rate of liberalization within the OEEC (Organization for European Economic Cooperation) stood at 92 percent, and at 86 percent vis-a-vis the dollar area. This move toward freer trade and settlement of accounts on an unrestricted, multilateral and non-discriminatory basis has had the concerted support of the nations of western Europe, and realization of the ideal has been largely achieved through the establishment of the Common Market.

In contrast, although some progress has been seen since last autumn, Japan still retains in many ways a rigid centralized control over foreign trade and exchange. On the basis of the foreign exchange budget for the first half of fiscal 1960-61 (April through September 1960) only 41 percent, in terms of value, of all import items could be purchased under the automatic approval system, the remainder requiring individual approval and allocation of foreign exchange quota. This is considerably behind the degree of freedom achieved in western Europe. Rigid control of foreign trade and exchange was necessary during the reconstruction period following upon the war because of the requirements posed by shortage of foreign exchange, by protection of new industries, farming and available subterranean resources, and by preventive measures against excessive internal competition, particularly among small businesses. However, the era of recovery is over, and the economy has emerged in fairly healthy shape, with industrialization progressing at a good rate. With more advances seen in industrialization, there will doubtless arise the need for further diversification of the commodity and market patterns of Japan's trade. For, the economies of the highly industrialized nations tend to complement one another through free trade and interflow of capital and technology. Stimulus is a necessary adjunct to progress.

The White Paper stresses decontrol in this way, contending that it is necessary to meet the requirements posed by the inherent characteristics of the Japanese economy. It is also explained, by detailed analysis, that the Japanese economy now has the capability to go through with liberalization of foreign trade and exchange. For one thing, the level of the economy as against the standards achieved by the western European countries is shown to be adequate in terms of gross national product, industrial production, and export volume; while it is pointed out that the rate of growth probably has no parallel in the world. Also noted is the favorable export price index as compared to that of Europe, while the productivity rate has tended to lead the rise of wages. Consequently, together with the stability achieved in prices, and with high adaptability to technological innovations, the Japanese economy is judged to have acquired considerable and adequate strength.

Basic is Promotion of Competitive Strength

The Trade White Paper states that through decontrol there will be brought about free multilateral interflow of goods with the various countries of the world, leading to rational and competitive adjustments from which further advances in economic development can be expected. There will doubtless be required modifications of the industrial pattern to adjust to international conditions, but this too would be to Japan's ultimate advantage. The many difficulties that can be expected to be encountered in undertaking liberalization are given due recognition, and special measures in regard to these problems are recommended.

First of all, there is the problem of the payments position and the maintenance of an adequate reserve of foreign exchange. The level of $1,320 million at the end of 1959 is still low, considering the level of Japanese import purchases, as compared to the surpluses with which such countries as Italy. West Germany and Australia operate; but no imminent risk exists in so far as export trade continues to follow a firm uptrend, and the rate of economic growth can be kept under control by appropriate fiscal and credit measures. It is quite practicable to undertake gradual liberalization while maintaining an adequate surplus of foreign exchange.

Second, there is the problem of trade policy in regard to the restrictions imposed by the European countries on importation of Japanese products, and in regard to the foreseeable decline of trade with the less industrialized countries. With the former, it will be necessary to obtain the fair consideration of the governments concerned with perhaps more effort directed toward economic diplomacy, while with the latter proper regulation of trade and the need for economic cooperation are cited.

An even more troublesome problem is that pertaining to Japan's industrial structure. In this connection, the authors of the White Paper raise the following points:

1. The fostering of new industries must not be neglected while promoting, as a basic and necessary course of action in view of the changing pattern of world production, the growth of the heavy industrial and chemical production.

2. Liberalization cannot be expedited in those areas which would affect seriously farming and natural resources development, which tend to depend on natural conditions and are therefore limited in their adaptability to world conditions.

3. Should the small business and industrial operations tend to be affected, mainly through shift to them of the competitive disadvantages, by the actions for liberalization,

the benefits of decontrol would be reduced. In actual practice, the situation faced by the small enterprises will have to be carefully considered, and relief measures may have to be instituted.

4. The disruption of industrial order must be avoided; and since disturbances will be due mainly to shifts in the pattern of employment it will be necessary to keep job opportunities high by development of the secondary industries. Friction and disruption should be kept at minimum by all the means available.

The Trade White Paper states that liberalization of exchange must, naturally, progress side by side with decontrol of trade. The basic policies and actions in connection with the strongly advocated liberalization of foreign trade and exchange are outlined by the White Paper in the following manner:

1) For consolidation of competitive strength in world markets, private enterprise must undertake replenishment of capital, modernization of plant and equipment, and development of technology. To this end, there must be action to aid or ecourage private enterprise, while the facilities conducive to industrial growth must be provided.

2) Money rates must be made reasonable.

3) Export promotion must be intensified, economic diplomacy must be practised.

4) In connection with the tariff policy, the duties rates must be reviewed, while a system capable of more flexibility in application must be devised.

5) Steps will be necessary to prevent excessive internal competition, and to prevent disruption of the prevailing order.

6) Promotion of measures to aid and protect small enterprises.

7) In connection with employment, it will be necessary to undertake measures leading to higher mobility of labor, creation of jobs through diversification of the industrial structure, and improvement of worker capabilities.

Real Estate Boom

IN recent years, land values have climbed at a rate far in excess of that of commodity prices in general so that now the cost of site acquisition is proving an impediment to dwelling construction, plant facilities expansion, highways and thoroughways construction and numerous other projects. The Government therefore is considering various ways and means of regulating real estate values.

Climb of Property Values

A review of the movement of real estate prices in city areas in recent years, on the basis of the property (site) value index figures of the Japan Real Estate Research Institute, shows that in the past four and a half years the average increase amounted to about 250 percent the former level. (see Table 1) In the interim, commodity prices in general indicated but little rise, according to the wholesale price indices of the Bank of Japan. Consequently, it can be said that real estate alone continued on a steady uptrend.

1. All-Japan City Area Property Values and Wholesale Prices

(March 1955=100)

Date	City Property Value Index (A)	Wholesale Price Index (B)	Comparison (A/B)
March, 1955	100	100.0	0
September, 1955	106	98.6	1.08
March, 1956	114	100.5	1.13
September, 1956	127	105.7	1.20
March, 1957	146	107.6	1.36
September, 1957	162	105.2	1.54
March, 1958	178	100.7	1.76
September, 1958	197	97.7	2.02
March, 1959	200	99.5	2.20
September, 1959	248	101.5	2.46

Source: City Property Index—Japan Real Estate Research Institute
Wholesale Price Index—Bank of Japan

Needless to say, the movement of city area site values varies with city and use. Table 2 shows the differences when city area real estate is classified generally into residential, commercial and industrial sites. Residential and commercial real estate values generally follow a similar trend; but industrial site values have tended to go up notably since about 1957.

2. All-Japan Real Estate Values

(March 1955=100)

Date	Commercial	Residential	Industrial	Average
March, 1955	100	100	100	100
September, 1955	106	106	105	106
March, 19561	114	114	113	114
September, 1956	128	127	127	127
March 1957,	146	144	149	146
September, 1957	163	159	166	162
March, 1958	175	177	181	178
September, 1958	193	198	201	197
March ,1959	216	219	225	220
September, 1959	244	245	256	248

Source: Japan Real Estate Research Institute

When site value movements are reviewed on the basis of regional differences, the biggest rise is seen for industrial sites in the six major cities (Tokyo, Osaka, Nagoya, Kyoto, Yokohama and Kobe), the level of September, 1959 being 310 percent that of March, 1955. Conversely, the smallest rise was indicated by the commercial sites (up slightly less than 100 percent) in the six major cities. In the interim, the residential sites of the six major cities, and the commercial and industrial land of urban areas other than the six major cities went up in value by about 150 percent, midway between the two extremes.

These trends can be explained by the rapid industrial development of recent years, and the heavy concentrations of population occurring in the big urban centers and their environs. The land values in the saturated commercial districts, on the other hand, have tended to slow down in rate of climb.

The foregoing has been a study of land values after 1955. What have been the changes as compared to prewar (1936)?

With the overall average for the six major cities (commercial, industrial and residential site values), the level in September, 1959 was 471 times that of 1936. When classified by use commercial land values the jump was 544 times prewar, followed by residential sites at 466 times, and industrial at 354 times. When all city area property values are considered, the difference is even greater at 813 times for commercial, 669 times for residential, and 615 times for industrial sites, to give an average of 717 times. In the interim, wholesales prices, according to the Bank of Japan, went up 334 times; so it can be seen that real

estate appreciated at more than double the rate of other commodities.

Reasons for Rising Demand

When a study of the causes of the climb of property values is made, the points cited below become clear.

1) Concentration of population in the urban areas. As against 1890 the total Japanese population in 1955 had swollen 2.2 times. But in the Tokyo-Yokohama area, the increase was of an order of 4.8 times, while that of north Kyushu was 3.1 times. This goes to show how intensified has been the concentration of population in the urban areas. This, naturally, has led to a steady climb of real estate values in and around the cities.

2) Increase of building starts. According to a survey undertaken by the Ministry of Construction there occurred in 1954 a total of 32,140,000 square meters of building starts. In 1958 the new construction floor space rose to 43,410,000 square meters, so there was, in the interim an increase of 35 percent.

3) Mushrooming of Community Housing Projects. When the Japan Housing Corporation or other organizations develop large community housing projects in suburban areas there is usually a sudden jump in property values in the neighborhood, and in the vicinity of nearby railway stations. The sudden rises in land values which occurred in for instance 1952 and 1953 are directly attributable to the building activity supported by the money made available to private builders by the Housing Loan Corporation. The notable rise of property values in 1956 and 1957 was due to the developments undertaken by the Japan Housing Corporation.

4) Rising standard of living. In line with the rising level of the national income, the public become able to spend more on housing, whereas previously food and clothing took up the major portion of earnings.

5) Separation of parents and children. As a result of the changes in the Japanese family system since the war, the trend is toward separate living quarters for parents and grown children.

6) Development of transportation facilities. With improvements taking place in commuting and traffic facilities, property values along the established routes tend to rise. Particularly in recent years, with the Japanese National Railways, the private electric lines, the subway services, and the bus operators establishing or planning new lines in anticipation of the forthcoming Tokyo Olympic Games, there have occurred sharp rises in land values in the areas served by these facilities.

7) Other causes. Because of the general tendency of land values to rise, real estate in the outskirts of the major cities has becom the target of speculators. In some cases speculative transactions have been supported by funds from foreign national.

Supply Bottlenecks

When the rising values of real estate are seen from the availability side, the following points are revealed:

1) Farm Land Law restrictions. The creation of residential and industrial sites is done mainly by utilization of former farm land. But the postwar Farm Land Low, in order to provide protection and support to the owner-farmer, is especially designed to impede authorization of change of status from farm to other classifications of property. Consequently, the development of residential and industrial sites in the outskirts of the big cities is not progressing as smoothly as it should.

2) Reluctance of landowners to sell. Since in the long run there can be discerned a definite tendency for real estate values to rise, the owners of land, even when they are in need of ready money, refuse to part with all their holdings, and tend to sell in little bits, retaining for as long as possible even land that remains idle.

3) Increasing business awareness of the farmer. Farmers today tend to collect economic information avidly, and to sell their property only at the highest price.

4) Rising cost of public acquisition of land. The private electric power companies, in order to acquire sites for power development projects, have generally been paying extremely high prices for purchases. This has had a bad effect on land needed for highways, railways, and other public projects.

5) Slow progress of comprehensive development planning. For proper development as residential areas there must be provided such utilities as transportation facilities, sewage and drainage, water supply, electricity, gas, and roads. For industrial sites the main prerequisites are industrial water supply, transportation facilities, and power. But because comprehensive planning for site development has tended to lag, the supply of suitable land is steadily diminishing.

Residential Sites Supply and Demand

Property values have soared because supply is tight as a result of the factors mentioned above. The Japanese public therefore is harried by a chronic shortage of suitable dwelling sites, while industry cannot find good land for plant expansion or construction. Consequently, the Government is desirous of checking the rise of property values. However, before going into the various proposals for property value regulation, let us take a look at the supply-demand situation.

As is shown in Table 3, new construction of dwellings in fiscal 1959-60 came to 560,000 units occupying in all an estimated area of some 86 million square meters of land. Disregarding the replacements, the land newly occupied by housing can be reckoned at some 49.5 million square meters. The supply of building sites can be roughly divided into three classifications: private development; private purchase; and government development, at approximately a third each.

According to the dwelling site supply-demand planning of the Ministry of Construction for the five years ending with fiscal 1962-63, the dependence on government and private development of new sites will grow increasingly stronger.

3. Dwelling Site Supply-Demand Planning

(Dwellings in 1,000 units, area in 1,000 *Tsubo**)

	Fiscal Year		
	1958-59	1959-60	1958-59 thru 1962-63
Total Requirements			
Dwellings	519	561	3,050
Dwelling Sites	23,913	26,205	141,540
Dwellings Construction Plan			
In Combination with old	7.7	10.1	105
On existing sites	214	219	1,196
On new sites	297.3	331.9	1,749
New site area	13,208	15,034	74,265
Dwelling Site Supply Plan (area)			
Private realtors	5,225	5,174	26,754
Private purchase	4,841	5,123	14,211
Government supply	3,042	4,737	33,300
by redemarcation	420	1,540	14,210
Housing Corporation development	463	923	5,002
Housing Loan Corp. development	150	310	4,010
Public Housing	1,407	1,359	6,860
Housing Corporation planning	602	605	3,218

*Tsubo=36 sq. ft.=3.3 sq. meters
Source: Ministry of Construction

Government Plans for Property Value Regulation

The demand for dwellings and dwelling sites is con-

siderably greater than had been anticipated in the planning of the Ministry of Construction. Moreover, there has been a surge in the requirements for industrial sites and highways because of the big growth of industry in recent years. In addition there has been increased investment and speculation in real estate. So property values have been boosted, and it has become difficult to find suitable land for various uses at reasonable prices. The Government therefore if undertaking a serious study of the methods of price regulation.

As will be seen from the dwelling site supply-demand planning of the Ministry of Construction, the dwelling sites acquisition by private purchase about equals the site creation and development undertaken by the government agencies or by private organizations. Consequently, any measure calculated to ease the supply of dwelling sites must of necessity be something conducive to creation and development of sites by both the government and private real estate organizations. Nevertheless, as already mentioned, the rate of climb of land values has been so fast that unless the government drastically expedites creation of new sites there will be no effective suppression of booming property values. Nevertheless, the funds available for such action are limited; and if upwards of 50 million square meters of dwelling sites are to be made available yearly it will be virtually mandatory to promote the activities of private real estate operators. The recent report of the Ministry of Construction covering creation and development of dwelling sites stressed the importance of aiding the private development enterprises.

At the same time, industry is finding it increasingly more difficult to obtain industrial sites at reasonable prices; while in existing plants more and more production bottlenecks causing high costs are being encountered due to transportation and water supply difficulties. This troublesome situation is certain to be aggravated with the growth of industrial production. Consequently, the Ministry of International Trade and Industry is currently formulating a plan for high-priority public works spending on highways, harbor and port facilities, and other industrial prerequisites, depending on the existing local conditions, to permit more rational deployment of industries. Since this planning is for industrial sites development in a free economy, it will not be possible to force MITI's "Plan for Rational Deployment of Manufacturing" upon private enterprise. Nevertheless, the program will doubtless contribute enormously toward long-range planning on the part of private industry, and toward rational expansion of the nation's industrial base.

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At the Ministry of Finance also there are being discussed comprehensive measures to check the rise of property values. Among these the following proposals in connection with taxation are being studied: 1) particular caution must be exercised when considering tax measures for repression of land values because of the effect upon the tax system as a whole; 2) halfway action in tax boosts are likely to impose even bigger burdens on the people in need of land; 3) nevertheless, something must be done, in the area of taxation, because the rise of property values is excessive, to prevent concentration of population in the cities through construction of satellite centers, to curb excessive transformation of farm land, to promote verticalization of city areas, and to encourage dispersion of industrial plants.

In more concrete terms, the proposed tax measures are as given below.

1) The new levying of a land increase tax. Under the current tax law, when sale of land occurs the proceeds are taxable as sales income; but with the institution of the new tax it will be possible to tax any rise in value of land in excess of the general rise of prices. The grounds for the new levy are: a) the booming of property values is due to imbalance between supply and demand, and the accrual of value is not due to labor of any kind; b) rise of property values is often the result of improvements effected by public spending, such as highways, waterworks and other facilities, the beneficiaries of which can be rightfully charged their share of the cost; and c) land values are affected inordinately by speculative buying, which could be cooled off by tax deterrents.

2) Increase of the Fixed Assets Acquisition Tax. By this action, a heavy levy will be imposed on the purchasers of land, reducing their power of acquisition.

3) New levying of a tax on idle property. This tax is intended to discourage landowners from hoarding unneeded and idle land.

4) Intensification of taxation of real estate brokers and dwelling site vendors. There is considerable evidence that much of the price rise of residential and industrial sites in the environs of big cities is due to the activities of real estate brokers and dwelling site dealers. Furthermore, it has been difficult to date to keep an accurate check on the income of these operators. By intensifying vigilance over these people it is intended to put a stop to unfair and unscrupulous transactions.

The various ministries are thus engaged in working out measures to curb the uptrend of property values. Consequently, it can be expected, as these measures take on concrete form, there will be a calming down of the real estate boom.

Views & Topics

For Successful Liberalization

By Shuzo Watano

DECONTROL of trade and exchange is no longer a matter of debate, and action has been initiated to effect gradual liberalization. The time has come to decide in detail the order in which to proceed with decontrol of the various items of trade, and the measures to be instituted to prevent the foreseeable disruptions and friction that could result from freer importation of foreign products.

At this late stage, there still prevails in business circles considerable apprehension in connection with the move toward decontrol, and there persists an inclination to impede progress in this direction. Since, as will be explained later, liberalization is bound to affect the pattern of Japan's industry to bring about a change of the industrial structure, there can be no avoiding the infliction of pain and suffering upon certain industries, and it is only natural that these businesses do not welcome the prospects. But because from a higher standpoint it is obvious that decontrol will benefit the economy there is no sense in foregoing liberalization simply because some segments of industry may suffer. Rather it would be advisable to explain the situation so that not only the business world but also the general public could be relieved of doubts and misapprehensions. The benefits of liberalization must be made clear to all, and once this can be achieved there should be a notable weakening of the opposition.

Benefits of Liberalization

Before going into the results anticipated of freer trade and exchange, it will be necessary to reiterate the fact that the proposed liberalization has nothing to do with the established official rate of yen conversion to foreign currencies, now maintained at ¥360 to the United States dollar. To the uninitiated, liberalization may seem to imply a flood of foreign goods pouring into the country. This is partly due to lingering memory of what happened back in 1930 when, after the embargo on gold was lifted in January at the old par value of the yen currency (some 30% higher than the rate at that time in force.) Japan's export trade was suddenly put in a most disadvantageous position. This time, however, liberalization merely involves the easing or removal of the controls exercised over foreign trade and exchange.

It goes without saying that so long as decontrol signifies termination of the protection afforded domestic industry there are bound to be local disadvantages and setbacks. But unlike what would be the case were a change in the exchange rate to be effected, only a minor portion of Japan's industry will be placed at a disadvantage. Another point that must not be overlooked is the fact that the current rate of ¥360 to the dollar has begun to be considered as too low. The bigger-than-expected surge of export volume, and the accusations hurled at Japan by some countries of unfair selling on the strength of low wages are indicative of the low managed level of the yen currency.

In any event, the adverse effects of the removal of protection as a result of decontrol will not be excessively big even with those industries that are affected.

Another thing to which public attention should be called is the fact that liberalization can be expected to make Japanese business and industry more rational and efficient. In business, the aim is to produce any given commodity at the lowest possible cost, while achievement of low-cost production is considered evidence of efficient use of capital and labor.

In other words, the production of goods at high cost is indication that most is not being obtained from the capital and labor expended. For example, suppose an electric power company were to buy coal at ¥7,000 per ton, when by exercising some ingenuity it could obtain coal of the same grade at ¥6,000, the management would be wasting that much money. This waste would then be shifted to the rates charged the customer for use of electric power, and the enterprises depending on electricity for production would find themselves operating at that much higher cost.

If only the relationship indicated above were the case, then the amount lost by the electric power company would be gained by the supplying coal operator, and there should be no profit or loss for the economy as a whole. But this is a superficial interpretation. If coal were cheaper then the supply of electric power would be easier, and rates could be reduced so that the power-consuming industries could produce at lower cost for bigger growth. Such a process, it goes without saying, is a change of the industrial structure or pattern; and by such change of structure it should be possible to make better and more efficient use of the nation's manpower and capital resources.

So long as through the protection accorded domestic industry by controls imposed on trade and foreign exchange it is possible to maintain prices higher in Japan than in the world market, the inefficiency and waste explained above will continue to prevail within the Japanese economy. Liberalization will reduce such waste, and will go far toward correcting the distortions that now exist in the economy.

Dependence on Trade will Increase

While in theory the thinking indicated above is correct, there will most certainly be some cases in which circumstances may prevent prompt action to correct such distortion. If, as what happened immediately after the

surrender, there were to occur simultaneously a big surplus of manpower and an acute shortage of materials, with no foreign exchange to make purchases from abroad, there would be no time to worry about high costs or the industrial pattern. Apart from such extreme cases, a high rate of unemployment and the lack of industrial activity that could absorb such surplus manpower would necessitate the promotion of production regardless of cost or efficiency.

Fortunately, as matters stand today, there is no serious difficulty in obtaining raw materials, while employment is high despite the existence of a big number of "submerged" jobless workers. Consequently, going ahead with liberalization should not result in any serious disruption or confusion unless gross blunders are committed.

Another matter that must be considered is the inevitable increase in dependence on foreign trade if the economy is to continue expanding at the same rapid pace of the past few years. Although it is the common impression that Japan's dependence on trade is extremely high, the truth is not necessarily so. This will be clear from Table 1 which gives the export volume (goods and services) and the ratio of such sales to gross national spending in the year 1957 of the leading countries of the world. It will be seen that while the ratio in Japan's case is considerably higher than those of the United States and Brazil, Japan and France are much lower than other industrialized countries.

1. Dependence on Export Sales, 1957

Country	(Currency)	Gross National Spending (A)	Export of Goods and Services (B)	B/A
Netherlands	(million guilders)	35,020	17,090	48.0%
West Germany	(million D.M.)	209,600	52,274	24.9
United Kingdom	(million pounds)	21,921	4,532	20.7
Canada	(million Canadian $)	31,500	6,200	19.7
Australia	(million Australian £)	5,734	934	16.3
Italy	(1,000 million lira)	15,627	2,249	15.0
France	(1,000 million francs)	20,520	2,610	12.7
Brazil	(1,000 million cruzeiros)	1,043	74	7.1
United States	(million $)	441,659	23,575	5.3
Japan	(billion ¥)	9,985	1,352	13.5

One reason for this high dependence on export sales in the case of the European countries is their mutual proximity as well as high density of population.

In our own case, the 13.5 per cent of 1957 is considerably lower than the prewar ratios of 24 per cent in 1935, 23.6 per cent in 1936, and 24.9 per cent in 1937.

The sharp postwar decline of dependence on export business is for the most part due to the loss of overseas territory and markets. But even when this is duly taken into account, it cannot be taken to mean that Japan can manage with a lower relative volume of trade. In order to maintain a high rate of economic growth, export sales have to be boosted with the resultant growth in the import volume of raw materials and industrial equipment. This is borne out by the fact that there has been a steady and satisfactory rise in recent years of Japan's degree of dependence on export trade.

If it is presumed that there will be an increase of dependence on trade, the logical thing to do would be to remove the restrictive controls that tend to impede free flow of commodities. It must not be forgotten that the thinking underlying liberalization of trade is basically along this line.

Foreseeable Troubles

The benefits of decontrol will essentially be as explained above. But if even a minor segment of Japanese industry should be exposed through liberalization to competitive and other disadvantageous pressures, it will be necessary, at least during the period of transition, to institute measures for aid or relief. For unless appropriate action is taken in this respect, or if blunders are made, not only will there be generated unnecessary friction and confusion, but there may be caused serious doubts about liberalization itself. Consequently, the selection of appropriate measures will become an important necessity, while in order to avoid mistakes there should be a clear presentation of the role played heretofore by the controls imposed upon trade and foreign exchange. Once this is done, the aid or relief measures should become quite obvious.

The part played by control of trade and exchange can be roughly analyzed as follows :

1) *Suppression of excessive domestic competition by the quota system of foreign exchange allocations.* By regulating the quantity of raw cotton or raw wool by means of the foreign exchange control system, it has been possible to prevent overproduction of such things as cotton piece goods and woolen yarn and fabrics. It has also been possible, through regulation of import parchases of steel scrap, to avoid price rises of steel products due to competition in procuring scrap.

2) *Bilateral trade agreements.* Taking Taiwan as an example, because it is desirable to sell to that area such goods as ammonium sulphate fertilizer, the practice has been to purchase high-cost sugar from Taiwan while restricting cheaper sugar from elsewhere. Somewhat similar is the situation surrounding importation of rice from Thailand and Burma.

3) *Prevention of dumping in Japan by foreign competitors.* There has been no instance of dumping since the war. However, were it not for strict regulation of foreign exchange, it is probable that undercutting could have occurred with such items as ammonium sulphate and ball bearings, which may still require some degree of protection.

4) *Protection of products made for domestic consumption, weak in such respects as price or quality.* Various cases can be cited, for example : a) when protection is necessary because high-cost local materials are used ; b) when protection is given because the size of the market does not warrant volume production at low cost ; c) when temporary protection is needed because technological competence is low, and competition with the foreign products is impossible until progress has been achieved ; and d) when protection must be granted because natural conditions are adverse and there is no permanent competitive strength, but a large number of workers are gainfully employed because of past necessity of keeping operations going.

Of the above functions of trade and exchange control, the first three can be expected to cause relatively little trouble when removed or eased to end or reduce protec-

tion; while the aid and relief measures in these cases will be fairly easy. For suppression of excessive competition by something other than exchange control, such legislative action by a special law as the Law Concerning Emergency Measures in Connection with Textile Equipment, or by a more general law like the Export Import Transactions Law could rather easily be taken. Concrete steps are currently being taken for the revision of the laws named above. For prevention of dumping by foreign competitors, it will probably suffice to revise the tariffs and customs laws and regulations. For obligatory imports under bilateral trade agreements it will probably be necessary to continue such adjustments as have been effected by linking import and export items, but since the number of commodities involved is not great, there is quite a possibility that such items can gradually be eliminated.

Attention, therefore, becomes focussed upon the industries mentioned under 4), and the countermeasures to be instituted for relief. Those industries weak in foreign competitive strength because of their high dependence on high-cost domestic materials could probably improve their position by turning to foreign sources of material supply. The most troublesome area concerns the domestic suppliers of such high-cost material.

Leaving the suggested countermeasures for the moment, a point that should be duly noted is the fact that handicap imposed upon Japanese industry by high cost of materials is an extremely heavy one.

High Cost of Raw Materials

According to a survey conducted by the Statistic Section of the Ministry of International Trade and Industry the domestic prices of raw materials in Japan in December, 1957 were, as compared to the United States, 2.65 times as high for coal, 1.74 times for steel scrap, 1.73 times for iron ore, 1.7 times for petroleum, 1.62 times for soybean, 1.38 times for rawhide, and 1.21 times for copper scrap. There are of course certain supplies that are cheaper in Japan, such as raw cotton (93 percent the United States price), raw wool (99 percent), and crude rubber (99 percent). These items are few, while the price differential is small.

As can be seen from Table 2, much of the material price difference is covered by low wages and high productivity; and where concentration of labor in a product is high the price can be brought close to the United States level. Consequently, should it become possible to obtain materials at close to the United States materials prices, either our products could be made considerably cheaper than in America or wages could be increased quite notably. Although it will not be possible to obtain all materials at world prices because of freight and other charges, it is certain that lowered cost of materials will redound enormously to the benefit of the Japanese economy.

1. Japan VS. U.S. Prices at Various Stages of Manufacture

(United States=100)

Textile Products		Steel Products	
Raw cotton	98	Iron Ore	173
Cotton yarn (20 gauge)	78	Imported Scrap	174
Cotton yarn (30 gauge)	74	Bar steel	72
Cotton fabric (average)	42	Wire rod	92
Cotton socks	61	Strip steel	84
		Wire	63
Non-Ferrous Metals		Other	
Copper ingot	132	Crude rubber	97
Aluminum ingot	103	Rubber boots	24
Copper sheet	71	Rawhide	138
Copper tube	71	Leather shoes	97
Brass sheet	74		
Aluminium sheet	84		

Note: Wholesale prices of December 1957
Source: "U.S.—Japan Prices Differential" compiled by MITI

The lack of competitive strength due to narrowness of the domestic market b) and backwardness of technology c) cannot be corrected overnight. But judging from the rapid advances achieved during the past few years in connection with level of production and with technological improvements, it can be asserted that it will not be too long before these handicaps can be overcome. Those areas to which relatively long-term protection will have to be accorded will in all probability be limited to a few newly established industries.

Finally, the most troublesome will be the industries handicapped by adverse natural conditions. Coal and other mining operations, rice and wheat in agriculture, and other products of the primary industries are representative of this group. Because the labor force employed in these areas is great, it will be extremely difficult to turn with any speed to foreign sources of supply; and the shift can be expected to take many years. This means that liberalization here will be slow.

But if things are left as they now stand, it would mean that nothing will be done about the high cost of such important things as food and key industrial materials. Therefore, it is suggested that with coal and other industrial raw materials there be granted direct aid or relief in the form of government subsidy while cheap foreign supplies are permitted to enter the country. This method should be far more profitable for the nation as a whole than the present arrangement. In the case of farm produce, protection should be restricted gradually to only rice and wheat. Decontrol of soybean imports appears to be definitely scheduled, while with sugar the steps toward liberalization should be initiated before too much effort and money is spent on promotion of the sugar beet industry.

Expedite Correction of the Corporate Capital Structure

In the foregoing, we have discussed the countermeasures in connection with liberalization of commodities trade. There are quite a number of problems in the area of foreign exchange, and particularly capital transactions. Ever since the Meiji Restoration (1868), Japan has continued to seek an influx of foreign capital. The bulk of the funds received was the proceeds from the sale of government and corporate bonds in foreign money mar-

kets, and Japan has had but little experience in receiving big short-term loans or with foreign transactions involving Japanese corporate stock offered to the general public. Foreign capital should by all means be welcomed, but there is no denying that the lack of experience is making matters rather difficult.

What must be particularly stressed here is correction of the warped capital structure of Japanese corporate enterprises. As has become clear from the several loans received from the World Bank or the Export Import Bank of Washington D.C., the poor composition indicated in corporate balance sheets with liabilities far in excess of net worth tends to create a bad impression to cause apprehension. The same applies to prospective buyers of Japanese corporate stock. If the true benefits of decontrol of capital transactions are to be reaped, it will be necessary to remedy this capital structure dificiency with due speed.

For this, the following methods could be used:

1) Increase of internal reserves by accelerated or specially increased depreciation.

2) Increase of proceeds of stock sales by market-value sale of shares when recapitalization is undertaken.

3) Stimulation of the desire to boost capital through resumption of the progressive system of corporate income. taxation.

4) Reduction of the capital burden by permitting expense-off of dividend payments.

All of these would be effective, but increased or accelerated depreciation does not appear promising in view of the practices of other countries, while sale of new shares at market price might be difficult because this could result in a drop in quotations. The most promising then would be the progressive corporation tax. As indicated by Table 3, the practice before the war (1925-30) was to levy income tax at three different rates depending on profit rate based on capital. This resulted in a reduction of enterprises keeping their capitalization low to show a high nominal rate of profit. If this system is restored, enterprises prone to flaunt high profit and dividend rates will tend to disappear, while recapitalization will be promoted.

3. Prewar Corporate Income Tax Rate

Classification	Tax Rate	Tax Revenue
Annual income more than 10% and not more than 20% of paid-up capital	4 percent	10,208
More than 20% and more than 30%	10 percent	10,621
More than 30%	20 percent	29,318

Notes: System effective from 1925 through fiscal 1939-40. This tax was then known as Income Tax, Class 1.
Revenue figures are for 1938-39.

Today, because of the disparities resulting from postwar assets revaluation, there is so much dissimilarity among business enterprises that capitalization cannot be used as the basis for determination of tax rates. Moreover, so long as the burden imposed by dividend payments remains high, the tax rate incentive alone could hardly be expected to stimulate capital increases.

Rather, the idea of permitting the expensing off of dividends, much in the same way that interest payable can be charged to costs would be far more attractive. With the present corporation tax system, in order to pay a dividend of 10 percent it is necessary to have a profit rate of at least 22 percent. Where dividends expensable, the burden would be reduced to 10 percent per annum, not very different from the interest payable on borrowings from the banks. With such an arrangement, management interested in achieving stability of operations would naturally be inclined to boost capitalization.

There is a precedent in the measure adopted, under the Emergency Tax Measures Law, for the expensing off of dividends payable on recapitalization shares issued between December 1, 1953 and January 31, 1957. In this case, dividend payment up to 10 percent of the par value of the new shares was permitted to be handled as loss. It is asserted that the results were not very satisfactory; but there did take place a notable surge of recapitalization. If this method were to be used in conjunction with the other suggested measures, there is every likelihood of a notable improvement of the capital structure of Japanese businesses.

(The writer is president and editor of the Oriental Economist)

The

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Labor

Pay Hike Fatter Than Last Year:—The annual spring pay hike struggle chiefly sponsored by Sohyo ended up in a quiet tone. The results, however, proved to be generally satisfactory to labor barring the special case of Tanro, where depression is still serious. According to the Labor Ministry, for example, the Railroad Locomotive Engineers Union got through their hike demand of average ¥1,763 (57% more than 1959); the Oil Industry Workers Union, an average of ¥2,353 (53% more) and the Synthetic Industry Workers Union, an average of ¥2,032 (37% more). The Paper-Pulp Industry Workers Union, on the other hand, had to be content with a 5% reduction from last year's hike amount and Tanro (Coal Miners Union) with as drastic a reduction as 34% compared with last year's achievement. The average pay hike rate for all industry workers stood at ¥1,790 a gross 28% more than ¥1,395 achieved in 1959.

June 4 Political Strike:—A political crisis of serious nature has been brought about by the hurried decision of the Government and the ruling Liberal—Democratic Party to extend the current Diet session and at the same time carry out the ballot-taking on the ratification of the new U. S.-Japan Security Pact from the midnight of May 19 through the dawn of the following day. Infuriated by this surprise tactics on the part of the Government, the Socialists and the Opposition camps refused to take part in any Diet deliberations after that, and finally decided to agree to resign en masse from the Diet posts at a certain date later to be agreed upon. Not only the Socialists but also the members of the Sohyo-centered National Struggle Council for the Prevention of the new Security Pact and groups of the so-called intellectuals and students have been carrying out daily demonstrations at the Diet; Prime Minister's Official Residence and the U.S. Embassy in Tokyo.

On June 4, the total of 5,600,000 (as announced by June 4 Struggle Committee) workers, students, intellectuals, small businessmen, shop operators, etc. (of which 3,600,000 were the members of 57 Sohyo-affiliated unions; 1,000,000, of 19 independent unions; and another 1,000,000, individuals) took part in one of the biggest political strikes in Japan demanding for the "prevention of the ratification of the new security pact; exit of the Kishi Cabinet and the dissolution of the Diet." Due to this strike, transportation and communications in major Japanese cities were halted or marred for some hours. In Tokyo, for example, 186 electric trains on the major artery tracks were completely disrupted from the dawn to 7 am, while on such trans-country lines as Tokaido, Tohoku, Joetsu and Shinetsu, trains were either completely halted or largely delayed in the morning hours. A total of 103 trains (passenger and freight inclusive) was completely idle throughout the country, while additional 143 were far off the schedule. Besides these national railways, tramways and buses in such major cities as Tokyo, Kyoto and Kobe were halted from six-thirty to seven in the morning. It was the first time in 25 years that all of the tramways and buses were halted in Tokyo.

As for the private railways, a total of 20 company unions including Tobu in Kanto area and Keihan, Hanshin and Keihanshin in Kansai area stopped the trains from the dawn to six-thirty. All-Japan Postal Service Workers Union took the cue from the railways unions by carrying out 1.30–2.00 hour work-shop rallies at 49 postal offices throughout the country, while All-Japan Communications Workers Union carried out one-hour workshop rallies at every single office in the nation, causing a great deal of trouble to the delivery of letters and telegrams and telephone-calls. Other public employees also followed suit and carried out one-hour workshop rallies. In Tokyo, they demonstrated in front of the Diet and the official residence of the Prime Minister.

Miike Mine Struggle Still Continuing:—After 138 long days (As of June 10) of bloody strikes, in which one union member was killed, Miike Mine struggle still shows no sign of ending. On May 31, the Labor Ministry announced its formal opinions about the struggle for the first time. According to the announcement, the unionists who are currently holding onto the coal hopper and the Miike Mine harbor office (which are supposed to be locked out by the management) are breaking out of the premises of democratic labor movements and that any violent moves centering around these points should immediately be eliminated. Sohyo and Tanro, champions for labor, counter this announcement by claiming that the Labor Ministry has finally cast away its neutral pretenses and become its original self—an ally to the management. According to Sohyo and Tanro, the picketing of the coal hoppers and harbor office are perfectly legal and that if there is anything to be blamed, that would be violent picket breaking tactics. With both management and labor determined to fight it out, possibilities of another flaming-up of violent encounters between the two opposing camps are becoming larger. In their anxiety to find some kind of solution to this labor-management deadlock, the Governor Uzaki of Fukuoka Prefecture, Mayor Hosoya of Omuta City and Mayor Sakata of Arao City went up to Tokyo at the end of May to talk to those concerned and finally asked for another mediation plan from Chairman K. Fujibayashi of the Central Labor Mediation Board. Also deeply concerned about the development at Miike were the Cabinet members including Labor Minister R. Matsuno, Public Safety Minister K. Ishiwara, MITI Minister H. Ikeda and Finance Minister E. Sato who met on May 31 to discuss on the problems. However, as the problems are extremely touchy ones and need a great deal of care in their handling, they never got to anywhere. They only agreed to just wait and see for some more time. Another session of rough sailing is predicted for the Miike struggle.

1960 Pay Hike Amounts in Major Industry Labor Unions

(In Yen)

Name of the Union	Demand Amount	Final Settlement Amount	Wage Hike Rate %	% Ag. Preceeding year 10 Achievement	No. of Companies Surveyed
Coal Miners	2,000	395	2.3	66	14
	(2,000)	(600)	(3.5)	(78)	
Metal Miners	3,000	1,330	9.0	133	5
	(1,500)	(1,000)		(240)	
Synthetic Chemical	3,400	2,032	9.2	137	40
	(2,304)	(1,479)			
Petroleum	2,685	2,353	9.4	153	5
	(1,868)	(1,536)	(6.5)		
Cement	2,972	1,984	7.4	133	5
	(1,842)	(1,490)	(6.3)		
Electric Machinery	2,667	2,140	12,9	136	20
	(2,070)	(1,070)	(9.5)	(120)	
Iron & Steel	2,000	*1,840	*6.8	130	5
	(2,000)				
		*(1,420)	(5.5)		7
Electric Wires	2,397	1,772	9.3	132	9
	(1,450)	(1,340)	(7.1)	(117)	
Shipbuilding	2,367	*1,796	8.1	106	4
	(1,950)	*(1,690)	(7,1)		
Rolling Stock	2,500	1,763	9.1	157	9
	(1,800)	(1,125)	(6.1)	(141)	
Paper-Pulp	2,500	1,402	6.1	95	13
	(2,000)	(1,480)	(6.0)	(165)	
Private Railways	3,000	1,624	8.1	128	6
	(2,000)	(1,270)	(7.2)	(120)	
Department Stores	1,946	1,419	8.5	114	9
	(1,770)	(1,240)	(7.4)	(120)	
Electric Power	2,420	1,821	8.0	121	14 Industries
	(2,400)	(1,500)	(7.0)	(120)	
Average	2,561	1,691	8.1	126	151
	(1,925)	(1,339)			
Average Excl. Coal Miners	2,604	1,790	8.5	128	13 Industries
	(1,920)	(1,395)			138

Note: Figures in parentheses denote 1959 figures. *induding regular pay hike.
Source: Labor Ministry.

Foreign Trade

Convertibility of Yen Restored

The Government on June 3 announced a series of measures for the establishment of non-resident free yen accounts and the use of yen currency in international transactions, to be enforced on July 1. The general outline of the new system is as follows:

(1) Non-resident foreigners shall be allowed to open "free yen accounts" with any authorized foreign exchange bank in Japan (including foreign banks). No restriction is imposed on the types of free yen deposit accounts to be opened, but free yen accounts shall not be used for other credits than deposits (trusts, etc.).

(2) Free yen accounts shall be credited with the following items: (A) Yen received by non-residents in payment for the importation of goods to Japan, expenses incurred relative to Japanese imports and other current transactions authorized under the Foreign Exchange Control Law. (B) Yen received by non-residents in payment for non-current transactions, such as the dividend on corporate stocks, for which remittance in foreign exchange is authorized under the Foreign Capital Law or approved under the Foreign Exchange Control Law. (C) Yen acquired by non-residents as a result of the sale of foreign exchange (including sales of foreign currency, traveller's checks, etc.) to authorized foreign exchange banks. (D) Transfers from other free yen accounts. (E) Interest accrued from free yen accounts.

(3) There shall be no restrictions on the payments from free yen accounts. For example, payments for the following purposes may freely be made: (A) Remittance abroad (including traveller's checks, etc.). (B) Payments by non-residents to residents (for Japanese exports, etc.). (C) Transfers to free yen accounts.

(4) It shall be the duty of authorized foreign exchange banks to confirm that credit entries to free yen accounts are duly authorized.

(5) In order to permit the transactions through free yen accounts, yen shall be designated as currency to be used for international settlements, and the settlement through free yen accounts shall be prescribed as the standard method of settlement, where yen bills shall be used in the same manner as foreign exchange bills.

(6) Authorized foreign exchange banks may extend to foreign banks maintaining free yen accounts short-term yen credit facilities (mail credits, overdrafts, acceptance facilities, etc.) necessary for the settlement of current transactions through free yen accounts.

(7) Necessary financial treatment shall be accorded by the Bank of Japan to the financing of export and import transactions to be settled through free yen accounts.

(8) Non-residents may conclude freely with authorized foreign exchange banks forward contracts for the sale or purchase of foreign exchange against free yen under the following conditions: (A) The term of the contract shall be not longer than six months, and (B) there must be no evident speculation involved in it.

(9) As to the existing non-resident yen accounts, the balances of those accounts which are confirmed by foreign exchange banks as equal to free yen accounts may be remitted abroad or transferred to free yen accounts within a specified period (not later than September 30, 1960).

As the result of these measures, the yen currency will again be used in international transactions after the lapse of 15 years since 1945, and its convertibility will be restored, though partially, after a longer interval of 29 years since 1931. But there is no hope that yen exchange will be utilized very widely in the near future. Prior to World War II, settlements through yen exchange once accounted for nearly 50% of the total international trade, but this was mainly because China and other areas in Asia were under Japanese rule or influence. And the share of yen exchange was much smaller in transactions with the rest of the world. Since the war's end, the world situation has undergone a complete change, so Japan cannot look forward to any wide use of yen exchange. It can be expected that yen exchange will be used in dealings with the Southeast Asian countries, but Japan will have to offer yen credits if she wants her currency to be used widely.

Such being the circumstances, it is estimated that credits available from yen exchange to free yen accounts will be smaller than expected, though the yen exchange is closely connected with the free yen account system, and that yen acquired by non-residents as a result of the sale of foreign exchange will constitute part and parcel of the free yen accounts. What will be the annual total of free yen accounts in the first year? Finance Ministry authorities and bankers estimate that it will be at least $20 million and may reach even the $100-million mark at the largest.

Relaxation of Capital Restrictions

Since International Trade & Industry Minister I. Ikeda in January, this year, announced the policy of "promoting capital transactions with foreign countries" as part of the trade and exchange liberalization program, to what extent the existing restrictions on foreign investments would be modified had been watched with great concern. Because of the different opinions prevailing among the authorities concerned, however, it was not until May 24 that the Government finally decided to take the following measures, to go into effect on June 1:

(1) **Foreigners' Acquisition of Stocks.** (A) The maximum foreign ownership of stocks in Japanese firms shall be raised from 5% to 10% for restricted industries (gas, power, etc.) and from 8% to 15% for general unrestricted industries, subject to validation by the Bank of Japan. Within these limits, foreigners authorized to freely buy Japanese shares. Even above these limits, restrictions may be relaxed insofar as there is no fear of evil repercussions on the capital market and management rights of the companies concerned. (B) The repatriation of foreign capital invested in Japanese stocks, authorized by the Foreign Capital Law or Foreign Exchange Law, shall be made by installment in three years after a two-year deferment (thus far, in five years after the same deferment). In case remittance is suspended in any year, repatriation in the following year may be twice as much. (C) Even in the case of the "special stocks" for which dividend remittance has so far been banned (e.g. International General Electric's shares in Tokyo Shibaura Electric), restrictions shall gradually be lifted.

(2) **Foreign Loans.** (A) Foreign loans up to $100,000 each shall be liberalized, subject to the central bank's authorization. (a) It is desirable that loans will contribute to the promotion of foreign trade, but this is not a "must" condition unless they are used for entertainments, luxury goods, etc. (b) The interest rate shall be a reasonable one in every respect in the country where the lender lives. (c) The term of loans shall be not less than 3 years. (B) Other loans shall also be authorized as smoothly as possible if they are expected to serve the sound development of industry.

(3) **Corporate Bonds & Bank Loan Trusts.** (A) Corporate bonds and bank loan trusts up to $10,000 each shall be

liberalized, subject to the central bank's validation. (B) Even if remittance is guaranteed by law, the repatriation of foreign capital invested in corporate bonds has thus far been prohibited before maturity. Under the revised regulations, re-investments in stocks, etc. before maturity is authorized, and repatriation may also be permitted. (C) Five years after the acquisition of corporate bonds and bank loan trusts, the repatriation of the total value shall be authorized (the former period before repatriation is 7 years for corporate bonds and 10 years for bank loan trusts).

(4) **Other Capital Transactions.** (A) Investment trusts up to $10,000 each shall be liberalized, and conditions for repatriation shall be the same as for stocks. (B) As for technical aid contracts, necessary procedures and approval standards shall be simplified and modified.

(5) The reduction of the period required for repatriation shall apply to the stocks, corporate bonds, loans and trusts acquired by foreigners prior to the enforcement of the revised regulations. In this case, the previous period of ownership shall be taken into account. Stocks and investment trusts owned for more than two years may be repatriated by installment in three years.

Effects of Capital Liberalization

As for the upping of the maximum stock ownership, it is generally held that no encouraging effect can be anticipated, for foreign investments have been far below even the previous limits of 5% for restricted and 8% for unrestricted industries, and there is no hope that they will rapidly increase despite the relaxation. But the reduction of the period necessary for repatriation of stocks and bonds and the authorized re-investments of yen funds available from bond sales will turn out a fair stimulus for foreign investors.

The authorized remittance of dividends accruing from the "special stocks" (1-C) is also worthy of mention, because this means that dividends from stocks bought in yen are authorized to be remitted abroad, though partially. As the capital regulations will further be relaxed in the future, foreign investors will be encouraged to purchase more stocks than ever (there is no restriction on stock purchases in yen).

In revising the foreign capital regulations, the Government this time has apparently paid due consideration to the promotion of domestic industry as well as the betterment of international payments. As a guest speaker at the luncheon party of June 13 sponsored by the American Chamber of Commerce, International Trade & Industry Minister Ikeda declared:

"The shortage of capital funds in Japan is restricting the development of Japanese industry. Induction of capital and technique from abroad would not only promote the progress of our industries, particularly those that require an early achievement of high productivity, but also would make the comparatively cheap labor, with skill and dexterity, turn out better quality goods, thus bringing in ample profits to the suppliers of the capital and techniques. Because of these reasons, the Government would like to relax the criteria of approval provided in the Foreign Investment Law, by means of flexible operation, to approve of more of those applications that would not adversely affect Japanese economy."

Liberalization Program Delayed

The Government in January, this year, announced "work out an overall concrete program for liberalization of foreign exchange and trade by the end of May." Late in that month, however, it decided to postpone the announcement of the concrete scheme by the end of June. This was probably because there had been a friction of opinion among the authorities concerned as concerning what materials should be liberalized, when practical measures should be put into practice, and how the possible impact of free trade upon domestic industries should be prevented, so much so indeed that more time had to be devoted to the adjustment of differences and contradictions.

Adjustment efforts in this direction appeared to have made smooth headway in the first weeks of June, and indications were that a draft program would be mapped out around June 20. But the political situation was suddenly plunged into unprecedented confusion because of the "forced Diet approval" of the Japan-US Security Treaty by the Government and the Liberal-Democratic Party. Due to the repeated demonstrations and strikes against the treaty and the Kishi Cabinet, the socio-political unrest worsened to the extent that the Government had to cancel its invitation to US President Eisenhower at the eleventh hour. The situation has been getting so serious that political calmness and public order cannot be restored without the resignation of the Kishi Cabinet.

Both Cabinet Ministers and to-level Liberal-Democrats now are desperately trying to ratify by all means the Japan-US Security Treaty and to take the initiative in politics after the possible retirement of Premier Kishi. They appear to have no time to cudgel their brains about what practical steps should be taken for trade liberalization. It is quite unlikely, therefore, that any concrete program will be announced very soon even if the Kishi Cabinet should remain in power, not to mention in the case of its resignation on bloc.

Liberalization of Machinery Imports

The Ministry of International Trade & Industry is said to have completed a draft plan for liberalization of machinery and equipment imports in mid-June and started talks with the Ministry of Finance about its details. Under this program, the earliest possible liberalization will be granted to the following items (except those which are still in the course of development in Japan or have no competitive power on the world market):

(a) Screw gears, bearings, valves, pipe joints, etc.

(b) 8-mm cine cameras and projectors, wall clocks, etc.
(household use sewing machines, cameras, binoculars, microscopes, etc. already liberalized; but watches, industrial use sewing machines, optical surveying equipment, etc. to be liberalized later).

(c) Surveying equipment, taximeters, other instruments and meters (except industrial instruments).

(d) Industrial machinery (lathes, milling machines, metal working machines except high-efficiency presses, textile machines, wood working machines, agricultural machines and implements, printing and binding equipment, etc.).

(e) Electric machinery and appliances (except boilers and turbines for thermal generation, large-sized thermal generators and special hydropower generator)

(f) Radio, TV and other electronic equipment except automation equipment, electronic computers and industrial use electronics.

(g) Railway rolling stock, ships, buses, trucks, midget motor vehicles, etc.

Glimpses of Japanese Culture

Haniwa—Japanese Clay Figures

By Hiroshi Takiguchi

Origin of Haniwa

From about the third century, tumulus started being raised in the western provinces of Japan. This fact—that the dead were buried with respect—is a clear sign that the political system of the time was beginning to jell. In about 300 BC. the western part of Japan outgrew its Jomon culture (new stone age) and entered the Yayoi culture. It was in this

Female haniwa as found at the site in Shibayama, Chiba Prefecture

period that rice-planting and agriculture became the Japanese way of life. Tools and utensils of iron and bronze flowed in from neighboring China across the sea. An ancient state was gradually being born. And it was also in this period that *dotaku* (bell-shaped bronze) for festival use began to be created from imported swords, halberds and other weapons.

From the 3rd through the 1st centuries BC, the influence of the ancient state Yamato, pervaded through to the eastern provinces. The Toro Site in Shizuoka Prefecture is the remains of a farming community of the 2nd century AD. Toward the end of the 3rd century, all parts of Japan were placed under the influence of the Yamato Government. The custom of making tumulus spread gradually all over the country.

Haniwa are clay figures which were placed on these tumulus. They had not only religious connotations but also artistic import in that they were to beautify the tumulus. The first haniwa to appear were mere clay cylinders, which were most probably used as demarkation symbols between tombs. Soon dissatisfied with mere cylinders, our ancestors tried to give variety to their haniwa by making flower-like openings in the cylinders. These are now usually referred to as morning-glory haniwa.

In the 4th century AD, the variety of haniwa-making was greatly increased to include house shapes; weapons (shields, stirrups, armour, etc.) and umbrellas. It was in the 5th century that haniwa in the shape of people and animals began to be created.

House-shaped haniwa were placed on the top of tumulus in plural number, A set representing a family unit. Beside the living quarters, warehouses were often added to the unit. House-shaped haniwa were likely for life after death.

Nihon Shoki (Chronicles of Japan) edited in 720AD contains a very dramatic expansion for the development of haniwa: in the first half of the 4th century, Emperor Suinin, deeply shocked at the horrible tradition of wives and servants immolating themselves at their master's death, ordered human and animal images put at their master's graves instead. This legend, however, is only a legend as it is a proven fact that it was only in the 5th century that the images of human beings and animals were first created.

Making of Haniwa

Among the variety of haniwa, the most interesting are images of men and animals. As these haniwa were made of kneaded clay for the purpose of being placed on the mounds of old tombs, they are usually very big (some measure as long as 180 cm) and simple in expression.

The makers of haniwa themselves know that the clay figures would not last under the wear and tear of nature. However, as they firmly believed that the position of haniwa was on top of the tombs, they did not consider making smaller and more perfect dolls. They could have made more perfect haniwa only if they wished, for there were already may high-temperature (more than 1,200 degrees C) furnaces, in which dishes, pitchers and other household utensils were produced.

At the advent of the 6th century, production of haniwa became more active. It was not unusual for hundreds of clay cylinders and scores of human and animal images to be placed on a single tomb. Even on a small-scale tomb measuring only 20 meters in length, a variety of haniwa would be placed for decoration. The actual production of haniwa was carried out by a comparatively few experts and a great number of amateur-helpers (mostly farmers). This produced a number of artistically worthless haniwa.

The true experts, however, tried their best to capture the characteristics of men and animals through the simple line and moldings inherent in haniwa. If you take time in appreciating these haniwa, you will invariably be hit by the sincere efforts put into the creation of these simple clay dolls by our ancestors. These clay images represent a fascinating combination of childish expressions and bold simplification. In a sense, these clay dolls may appear to be child's play. In another, they may look like the best work of abstractionist artists.

The makers of haniwa had no hope of exhibiting their products at an art show. Their handiwork was destined to be placed in the lonely grave-yards. No one would drop into the graveyards and make a close scrutiny of the dolls. They were only made for the dead and not for the appreciation of the living.

In a sense, this lack of critical eyes gave the makers of haniwa a free hand in what they created. They could simply say, "to hell with realism" and yet everything was all right. It was also true, however, that this complete freedom from any criticism together with the participation of amateurs in production resulted in the creation of some utterly worthless products. For example, an image of a naked woman without an iota of beauty in it was excavated from a site in Tochigi Prefecture.

Although these experts did not pose as artists, they put their hearts into their products. When there occurred a death, the members of the family and the neighbors went to the haniwa masters to ask for their help and, in turn, offered whatever assistance they could to the masters. These experts, after contemplating the whole design, started to knead the clay. Then, leaving the simplest parts of the work to the amateur helpers, the experts concentrated on the difficult parts and the brushing-up of the whole thing in the end. Such simple items as the cylinders may likely have been left in the hands of the amateurs.

Typical Soldier Haniwa

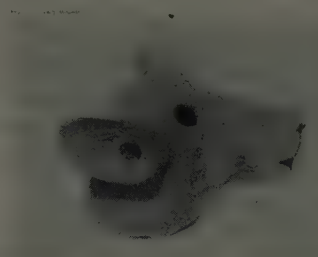
Haniwa from one tumulus particular or one district usually look similar. This is a clear indication that only one expert or one group of experts was active in a certain district. The haniwa experts were called by the name of

Haji-be. *Haji* means earthenwares while *be* means trade association or group. However, it is needless to say that ancient trade association was completely different from present-day counterparts.

Kinds of Haniwa

Haniwa come out of almost every district of Japan. In the western part of the country, haniwa-making rapidly went out of vogue at the introduction of Buddhism in the middle of the 6th century. On the other hand, in the eastern part of the country, especially in the Kanto District, the ancient tumulus kept on being produced until the 7th century. This is the reason why there are so many more haniwa left in the eastern part of the country than in the western part. Haniwa from the western part of the country are, on the whole, excellent but lacking in variety. The eastern haniwa, on the other hand, contain a number of worthless specimens although some of them are excellent and they abound in variety. It is from the Kanto District that many "special design" haniwa come.

For example, a female haniwa singing with a pitcher on her head and a baby on her back came from a site in Tochigi Prefecture. A haniwa on horseback and a female haniwa suckling her baby came from Ibaragi Prefecture. Dancing figures were discovered in Gumma, while swimming figures were dug out in Chiba Prefecture. These haniwa are usually poor from an artistic point of view, but they certainly give us a sense of pleasure when viewed.



Haniwa head of an animal, possibly a doe

The first animal haniwa ever created were horses and water fowl. Large-scale tumulus were usually surrounded by moats (the tumulus of Emperor Nintoku is surrounded by three circles of moats). And it was along these moats that the clay images of water fowl were placed. In ancient Japan, the horse was the most useful animal. During religious and other important ceremonies, horses were usually decorated with bells and other ornaments. Haniwa horses likewise are usually covered with a variety of ornamentation.

Later, other animals and birds were added to the list—including cocks, hens and dogs. Dog figures with their tongues sticking out of their open mouths or the heads tilted slightly backward capture in simple and bold lines the very characteristics of the animals portrayed. Wild boar and deer were other favorite animal subjects. They are dug out individually or hung from the waists of the hunters. Some bear arrow-marks on the body to denote that they were hunted. Only one monkey image came from Ibaragi Prefecture. Although broken, the monkey, which strains its neck from the baby on its back, has very expressive features. An image of a hawk sitting on a man's arm was unearthed from a tumulus. This hawk has a bell attached to identify it as being used for hunting.

Haniwa in the Shibayama Site

In 1956, the writer excavated a cople of tumulus in Shibayama, Chiba Prefecture—some 40 km east of Tokyo. The smaller of the two tumulus measures 58 km in length and 8 m in height. Thus, this is representative of the medium-sized tumulus. Looking up from the valley, there was excavated a succession of "figure" haniwa, which were later found to have been created as a procession for the honor of the soul of the dead.

A Monkey Haniwa with its young suckling at its breast

The procession was led by a man followed by four horses attended by as many pack-horse men. Then came two warrior-guards followed by a group of male retainers and then a group of female followers of religious nature. Then came another group of males among whom were farmers with plows thrown over their shoulders Somewhat away from the main procession, minstrels was placed with his *koto* on his knees.

The procession of haniwa is very rare, but it is thought that the same kind of procession was placed on the larger tumulus as well. However, the original procession was at the time non-existent, as haniwa on the slope of the mound had fallen into the neighboring dry moat. From this dry moat, a number of figures of men, horses, wildboars, dogs, deer, cattle and water fowls were taken.

These haniwa represented funeral processions. The faces of the warriors and old men in the processions are so pictured that they seem to be deep in gloom. Some of the female figures in the processions wore ornamental sashes with a variety of beads attached-usually worn on occasions of magic ceremonies.

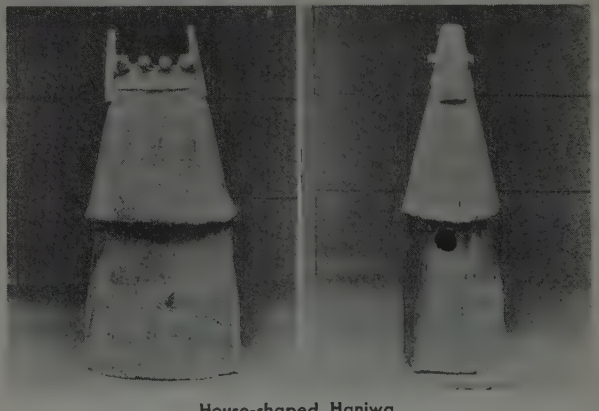
Cylinder Haniwa with one having flower-shaped opening

The whole procession design seems to have been carried out by a single expert haniwa artist; so consonant is every piece of work with the others. The final finishing touches on every haniwa seem also to have been carried out by the same expert. One of the other interesting characteristics of the Shibayama haniwa is that they are far more realistic in conception than ordinary haniwa and lead one to wonder if there actually had been models for individual figures. Clothing and other personal effects also faithfully mirror modes and costumes of the period. The writer and his group are now planning to completely reconstruct the clothing worn by our ancestors with the help of the costumes left in the famous Shosoin.

Anthropologist Dr. Hisashi Suzuki expressed the view that if models had been made on the face bones of the ancient Japanese of the tumulus age, they would be the face of haniwa.

Preservation of Haniwa

Haniwa are now preserved in museums just like other art objects. The number of museums is still very limited in Japan. However, in the national museums in Tokyo and Nara, there are a number of archaeological remains displayed for people to see. In Tokyo National Museum, there is a permanent display of haniwa besides a great number of other haniwa stored away. A part of the Tokyo Museum collection was exhibited in the U.S. in the spring of 1960 and received a warm reception form American citizens. The haniwa dug out at Shibayama site form in themselves, a fine collection. A museum, therefore, was established at the site in 1958. The museum now contains some 300 clay cylinder haniwa and some 100 "figure" haniwa.



House-shaped Haniwa

Haniwa are invariably broken when found. Students of haniwa collect these broken pieces and laboriously reconstruct them into a complete figure. Sometimes haniwa with some broken parts are more fascinating than complete ones. The reason may be that enthusiasts are able to use their imaginations for completing the missing parts. Thus, they can feel direct sympathy with the original producers of haniwa. (*The writer is professor of archaeology at Waseda University, Tokyo.*)

Kaleidoscope

1959 Tax Revenue:—According to the Finance Ministry, the total tax revenue (including stamp duties) in the fiscal 1959 stood at ¥1,212,400 million—some ¥91,200 million more than original budget and ¥ 33,900 million more than the third adjusted version of the 1959 budget. Because of this surplus together with the growth in such non-tax revenue as the proceeds of monopoly items (about ¥3,000 million) and the estimated saving of some ¥ 7,000 million in the expenditure budget, the total surplus in the 1959 budget settlement would most certainly amount to ¥43,800-43,900 million.

Backlog Declines for Shipbuilding:—With the shipping world still deep in the trough of depression, the backlog of orders for shipbuilding industry has steadily been declining for the past few years. To make the situation worse, there is no sign of the shipping market's brightenig in the near future. In order to cover up the depression in the shipbuilding department, major dockyard companies have boldly advanced to the land machinery and equipment fields. With a considerable success of this campaign, most of the major companies were able to announce favorable business results for the March term. However, with further decline in new orders almost a certainly, Japan's shipbuilding industry is now in for another rough sailing for at least next few terms. According to the survey of the Ministry of Transportation, the shipbuilding backlog, which stood as high as 291 ships totalling 4,240,465 gross tons at 24 major shipyards as of the end of December, 1956, fell down to 146 totalling 2,302,385 gross tons as of the end of March, 1960.

Supply Shortage in Electric Power:—According to the estimate of Japan Electric Power Research Committee (figures as of April, 1960), the maximum demand for power in the fiscal 1964 would reach 23,250,000 kW, while the total power consumption amount would eclipse 134.7 billion kWh. From these figures, the Committee expects that the power shortage would become acute by the fiscal 1962.

Tokyo Population:—The population of the City of Tokyo has finally eclipsed the 9,300,000 mark. According to the statistics department of the Metropolitan Government, the total population of one of the mammoth cities of the world stood as of May 1 at 9,311,774—86,992 more than the previous month. The figure represents 290,461 more than that in the corresponding period a year ago.

Green Light for Construction Insurance:—The Finance Ministry gave a green light on June 1 for six major non-life insurance companies (Tokio Marine & Fire, Sumitomo Marine & Fire, Taisho Marine & Fire, Yasuda Fire & Marine, Nippon Fire & Marine and Dowa Fire & Marine) to add construction insurance to their roster of business lines. The purpose of this new insurance is to cover the fire, wind, flood and earthquake damages at the construction sites, which are quite numerous at the moment, and further to protect the individuals suffering injuries or other damages from the construction works.

Highest Export Mark for Silk:—The raw silk export registered the highest post-war mark of 96,523 bales in the 1959 silk year (from June, 1959 through May, 1960), according to the Ministry of Agriculture & Forestry. In the previous silk year, the world-wide depression in silk market plus the wait-and-see tactics adopted by most of the silk-buyers because of the constantly declining prices contributed greatly to the depressed export of only 56,014 bales. In the 1959 silk year, however, the market became considerably firm due mainly to the fact that the inventory had hit the bottom and Japan's silk exports were carried out in favorable climate.

Thermal Power Stations Growing in Number:—According to the estimate compiled by the Central Electric Power Council, the net growth of power-producing capacity during the fiscal 1960 will be somewhere around 2,240,000 kWh—13.5% more than the capacity at the end of 1959. One of the remarkable features of this estimate is that, whereas at the end of 1959, water power accounted for 53 % of the total power, thermal power is expected to catch up with the water in 1960 by accounting for 49% of the total.

Industrial Combinations:—One of the interesting tendencies in the recent equipment investments is the attempted combination of industries. This tendency will become a dominant one in the so-called "new industrial belts." The first industrial combination to appear in Japan is that of the petroleum refining and petrochemicals. Recently, however, iron-steel and chemicals combinations are coming to the fore. To cite a few examples, Yawata Iron & Steel is teaming up with Shin Nippon Chisso Hiryo, while Fuji Iron & Steel is casting its lot with Sumitomo Chemical. Japan Steel Tube and Showa Denko; Kawasaki Steel and Kawasaki Chemical; Sumitomo Metal and Wakayama Chemical are other notable combinations now in vogue. Combination of electric power and petroleum refining is another example of industrial tie-ups. The first of this combinations is the teaming-up of Chubu Electric Power with Daikyo Oil. The move is followed by Kansai Electric and Tokyo Electric, which is planning to tie up with oil refiners in the Goi District of Chiba Prefecture.

Economy in Latter Half of 1960:—Economy will still be on a steady expansion in the latter half of the current year. This view is expressed by the Bank of Japan, which made public "Short-term Economic Survey of Major Industries" —a survey of 480 major companies listed with the securities exchanges and having more than ¥100 million capital—on June 3. According to this survey, some 65% of the companies reported that their sales would eclipse their first half achievements, while only 10% reported that their business would decline. As for the sales prices, however, 79% of the companies replied that the prices would continue crablike course, while 16% replied that the prices would decline. Only 3% of the total reported that the prices would become firmer. An overall picture seems to be brighter than in March, when the Economic Planning Agency carried out a similar investigation of the companies. At that time only 16% of the surveyed companies predicted business upturn, while 26% predicted sales declines. The remaining 53% reported that their business would be on the same level as in the first half. The annual growth rate of equipment investments stands as high as 38% (58% in manufacturing industries alone). The Bank of Japan cites intensified preparation for possible effects of trade liberalization as one of the cardinal reasons for this hiked rate of equipment investments.

RCA Laboratory in Tokyo:—Radio Corporatiion of America announced on June 15 that it would open a laboratory in Tokyo in the coming fall and carry out elemental studies of solid physics and chemistry. The purpose behind the new move, said the spokesman of the Corporation, was to make best use of the Japanese brains, and at the same time, try to elevate the scientific standards of both countries through mutual cooperation.

Government-backed Electronics Computer Company:—MITI has recently decided to create an electronics computer company, whose main purposes are: 1) to introduce foreign techniques and knowhow; 2) to purchase local electronics computers and lease them to those who are in need of them. The particulars of the proposed electronics company are: 1) The company is tentatively named Japan Electronics Computer Co. with the initial capital of ¥1,000 million. This capital will be boosted to ¥10,000 million in the future. The Government will invest half of this capital, while the remaining half will be supplied by Tokyo Shibaura Electric, Hitachi, Nippon Electric, Fuji Tsushinki and Oki Electric; 2) Introduction of foreign knowhow concerning the electronics industry will be carried out solely by the new company; 3) The new company will buy the products of the five investing companies and lease them to Japanese Government offices or companies.

Industry

Aluminium

The aluminium industry in Japan has been in the course of steady growth. Both refiners and processors have been stepping up their programs for capacity expansion and sales competition. Immediately after World War II, aluminium requirements sharply declined due to the sudden stoppage of military needs, but they have recently picked up for rolling stock parts, building materials, etc.

Brisk Demand Outrunning Supply

Production of processed aluminium products in 1959 (calendar year) totalled 150,314 mt., or up 102.7% from 1955's 74,136 mt. and up 31.8% from 1958's 113,996 mt. Such a rapid increase has resulted from the ever-brisker needs for household durable goods, auto parts, rolling stock parts and building materials.

1. Supply & Demand of Aluminium Virgin Metal

(In mt.)

	Production					Deliv- ery	Makers' Inventory
	High- purity	Over 99.7%	Over 99.5%	Under 99.5%	Total		
1955 . . .	168	33,147	15,595	8,598	57,508	63,847	1,469
1956 . . .	461	38,140	18,971	8,425	65,997	65,918	1,549
1957 . . .	590	41,402	17,818	8,169	67,979	65,827	3,701
1958 . . .	466	51,425	21,932	10,755	84,578	84,668	4,601
1959 . . .	1,018	64,154	23,869	11,099	100,140	102,276	3,473

Source: Ministry of International Trade & Industry (also for other tables).

In line with the increased output of these products, metal production has also been on the steady climb. In 1959, output came at 99,122 mt. for ordinary metal, or a gain of 72.3% from 1955's 57,508 mt. and an increase of 17.8% from 1958's 84,109 mt. (see Table 3). But about 10,000 mt. had to be bought from abroad last year.

As for virgin metal, supply was barely balanced with demand in 1959. Production summed up to 100,140 mt. (99,122 mt. for ordinary metal and 1,018 mt. for high-purity metal) as shown in Table 1. Incidentally, December turnout eclipsed the 9,000-mt. mark for the first time.

On the other hand, delivery totalled 102,276 mt. (101,275 mt. for ordinary metal and 1,001 mt. for high-purity metal. Of this total, rolled products comprised 65,434 mt., electric wires and cables 9,192 mt., castings and die castings 8,230 mt., iron and steel products 2,316 mt., machinery parts 2,102 mt., chemical plants 227 mt., coins 183 mt., exports 157 mt., makers' own consumption 12,515 mt., and others 919 mt.

Delivery in turn was topped by actual consumption, which came at 111,073 mt. in 1959. Thus, 14,823 mt. had to be imported to cover the balance. In striking contrast to the steep shrinkage of metal exports, aluminium needs for iron and steel products, chemical plants, castings, die castings and rolled products in 1959 rose by more than 40% (see Table 2).

2. Consumption of Virgin Metal by Product

(In mt.)

	1959 (A)	1958 (B)	A B %
Rolled Products	77,861	54,203	143.6
Electric Wires and Cables	10,496	10,676	98.3
Castings	8,916	6,025	148.0
Die Castings	8,238	5,656	145.6
Powder	▲ 70	56	125.0
Coins	183	425	43.1
Chemical Plants	227	153	148.3
Iron and Steel	2,316	1,540	150.4
Exports	157	4,536	3.5
Others	2,609	1,157	172.0
Total	111,073	83,117	133.6

▲ Estimate.

Requirements Likely to Grow

According to the Aluminium Requirements Investigation Association's survey, fiscal 1960 needs for aluminium products are estimated at 215,700 mt., or nearly twice as much as fiscal 1957's and over 3.5 times fiscal 1952's. Compared with the preceding fiscal year, the figure showed a gain of 28%. Of this total, rolled products are estimated to account for 61%, castings 15%, die castings 11%, electric wires and cables 6%, iron and steel products 4%, and powder and forgings 3%. And virgin metal to be needed for these products is estimated at 156,500 mt, or up 31% from a year ago.

As for fiscal 1960 virgin metal outlook, the Ministry of International Trade & Industry estimates production at 137,500 mt. and demand at 157,300 mt., or a shortage of 19,800 mt. Thus, 13,430 mt. will have to be bought from abroad.

Abreast with the possible increase of metal production, bauxite purchases in fiscal 1960 will increase to 1,050,000 mt., or an increase of about 30% from the estimated imports of 750,000 mt. a year ago. This estimate is made on the basis of MITI's metal demand estimate of 157,300 mt. It is scheduled that 390,000 mt. will come from Bintang Island, 250,000 mt. from Sematan, 380,000 from Malaya, and 30,000 mt. from India.

The Aluminium Requirements Investigation Association has recently announced its aluminium long-term forecast two decades hence: needs in fiscal 1980 will amount to 680,000-720,000 mt., or more than 4 times fiscal 1959's 169,000 mt. The maximum estimate or 720,000 mt. is made by the so-called macro method with the growth rate at 11% up to fiscal 1965 (from the base year of fiscal (1956), at 9% up to fiscal 1970 (fiscal 1965), at 7% up to fiscal 1975 (fiscal 1970) and at 5% up to fiscal 1980 (fiscal 1975). The minimum estimate or 677,000 mt., on the other hand, is computed by the so-called piling-up method on the assumption that requirements will sharply rise for civil engineering, construction, rolling stock, electric machinery and equipment, and industrial machinery.

1959 Output of Processed Products

Among various processed aluminium products, by far the biggest item is rolled products: 1959 output registered the postwar record of 96,340 mt., or gains of 81.8% and 35.8%, respectively from 1955 and 1958. Delivery came at almost the same figure, or 96,355 mt., registering an increase of 36.6% from a year ago.

In this variety of rolled products, requirements have been highly brisk for the following three items: i.e. daily necessaries with 1959 output at 27,311 mt. (compared

3. 1959 Production of Aluminium Metal and Products Thereof

(In mt.)

	1959 (A)	1958 (B)	A/B %
Virgin Metal, High-purity	1,018	463	219.9
Ordinary	99,122	84,109	117.8
Reclaimed Metal	35,322	23,533	150.1
Processed Products			
Rolled products	96,340	70,926	135.8
Forgings	359	391	91.8
Sheets	20,328	17,389	116.9
Wires & cables	10,247	11,017	93.0
Castings	25,833	19,700	131.1
Die castings	16,735	11,378	147.1
Powder	▲ 800	584	137.0

▲ Estimate.

with 23,938 mt. in 1958); electric machinery and communication equipment at 19,317 mt. (13,703 mt.); and machinery parts and metal products at 14,653 mt. (8,365 mt.). Other gainers were: namely, building materials at 4,956 mt. (3.278 mt.), food packages at 2,671 mt. (2,094 mt.), transport equipment at 2,385 mt. (1,137 mt.), and overseas sales at 7,627 mt. (6,225 mt.). Incidentally, shipments abroad totalled 7,711 mt. (compared with 6,563 mt. a year ago).

Output of aluminium wires and cables dropped to 10,247 mt. from 1958's 11,017 mt. But delivery rose by 7.1% to 11,163 mt., of which exports comprised 1,486 mt.

As for forgings, production in 1959 also suffered a tangible decrease to not more than 359 mt. This was ascribed to the fact that demand had got dull for coal mine Kappes which had thus far accounted for more than 50% of the total turnout, whereas auto parts gradually gained in importance (of the afore-mentioned total, auto parts comprised 120 mt.).

Castings for automobiles and other machines totalled 25,833 mt., or up 110.9% from 1955 and up 31.1% from 1958. Major industries requiring these were: transport equipment with 1959 output at 10,124 mt. (compared with 7,256 mt. a year ago), daily necessaries at 5,009 mt. (4,604 mt.), machinery and metal products at 4,443 mt. (3,200 mt.), electric machinery and commmunication equipment at 2,262 mt. (1,440 mt.), agriculture and fishery at 1,253 mt. (898 mt.), precision machinery at 1,045 mt. (759 mt.), and shipbuilding at 356 mt. (315 mt.). Especially notable were the increases registered by auto parts and daily necessaries (household durables).

As for die castings, output in 1950 was not more than 725 mt., but the figure a decade later or in 1959 curved up to 16,735 mt., or nearly four times and up 47.1% from a year ago. Not only that, larger automatic die casting machines have been installed increasingly, and auto parts and accessories have come to comprise one half of the total. In 1959, production climbed up to 9,229 mt. (from 5,204 mt. a year ago) for auto making, 3,605 mt. (3,081 mt.) for electric machinery and communication equipment, and to 1,045 mt. (752 mt.) for optical equipment.

Aluminium powder output in 1959 is estimated to have totalled 800 mt. (524 mt. a year ago), of which exports comprised 30 mt.

Grouping of Aluminium Refiners & Processors

Operating in this country are three aluminium refiners, namely Nippon Light Metal, Showa Denko and Sumitomo Chemical. The ratio of their productions stands at about 5-3-2. Nippon Light Metal, better known as Nikkeikin, is backed, financially as well as technically, by Aluminium Limited of Canada which holds 50% of its total shares. Both Showa Denko and Sumitomo Chemical have been using, for greater economy in electricity consumption, new type electric furnaces equipped with self-burning electrodes imported France.

These firms have been pushing their expansion programs in view of the ever-growing requirements for aluminium metal. Their combined capacity now is rated at 100,000 mt. a year, which will be expanded to 200,000 mt. in a matter of three or four years. And it is getting more urgent than ever before to secure the smooth provision of bauxite, electric power and construction funds.

Another remarkable development in the industry is the active introduction of superior know-how from abroad and the closer grouping of associated refiners and processors, both designed to meet the brisker requirements and to make up for the technical backwardness. The first spur for this trend was the establishment in August, 1959, of Furukawa Aluminium jointly by Furukawa Electric and Alcoa (USA). Then, Kobe Steel Works in March, 1960, entered into a technical cooperation arrangement with Aluminium Limited of Canada.

In line with such technical line-ups with foreign interests, leading companies have been placing others under their wings. Sumitomo Light Metal Industry took the initiative in controlling Nippon Aluminium Mfg. Nippon Light Metal bolstered its group by putting Osaka Aluminium under its orbit; Furukawa Electric, by inviting Higashi Nippon Aluminium and Nikkei Kakoki; and Kobe Steel Works, by dominating Daido Light Metal.

4. 1959 Exports & Imports of Aluminium & Products Thereof

(In mt.)

		1959 (A)	1958 (B)	A/B %
Exports	Virgin Metal	159	4,536	3.5
	Rolled Products	7,711	6,563	117.5
	Sheets	▲ 1,200	843	142.2
	Wires and Cables	1,486	2,014	73.8
	Powder	▲ 30	30	100.0
	Total	▲10,548	13,986	75.7
Imports	Alumina	96,046	51,338	187.1
	Aluminium over 99.3%	13,047	127	10,273.0
	Others	1,776	279	636.6
	Scrap & waste	9,941	3,459	287.4
	Aluminium Alloy (Scrap & waste)	2,768	1,648	168.0

▲ Estimate.

Attempts have also been made to consolidate tieups with sources of material supply or to set up new companies. For instance, Furukawa Aluminium Industry has established Nishi Nippon Aluminium in cooperation with Nagasaki Sempaku Sobi; and Nippon Light Metal, Kuruma Higashi Koki K.K. in cooperation with Nanitsue Koki and Kei-Han-Shin Electric Express Railway for manufacture of sashes (May, 1960), These moves are intended to make new varieties of aluminium products for which demand has been getting active: e.g. building materials, sashes, rolling stock parts and accessories, and ship equipment.

It is to be recalled that from 1953 through 1954 Showa Denko established Showa Aluminium by taking over Takata Aluminium and Nippon Light Metal, Nikkei Aluminium Industry by controlling another oldtimer or Nasu Aluminium. Indications are increasing, after all, that aluminium processors will be combined increasingly into four major groups, respectively, under Furukawa Electric, Nippon Light Metal, Sumitomo Light Metal Industry, and Kobe Steel Works.

The catalogue numbers of the following companies are: 193 for Nippon Light Metal; 185 for Showa Denko; 194 for Sumitomo Chemical; 195 for Furukawa Aluminum; 196 for Showa Aluminium; and 197 for Nikkei Aluminium.

Nippon Light Metal Co., Ltd.

Bird's-eye View of Shimizu Plant

Nippon Light Metal (capitalized at ¥3,993 million and employing 3,476 workers) is the biggest aluminium refiner, accounting for 51% of Japan's total production. Since 1952, it has been in close cooperation with Aluminium Limited of Canada, which holds 50% of its shares. It is to pay $12,000 a year (at present $10,000) for literature and suggestions to be provided by the Canadian firm's laboratories. Besides, it could have got financial aid from the Canadian firm for one year after the signing of the contract, but there was no need to request it.

The company has earned the following benefits from the closer tieups with the Canadian corporation.

1. In accordance with the Canadian suggestion, horizontal electrolytic furnaces have been replaced by vertical ones at the Niigata Plant, which was re-opened in 1957. The Canadian laboratories have played an important role for this technical improvement: the electric power consumption has dropped to 16-000 kWh per mt. of aluminium from the conventional level of 17,000 kWh. Assuming that 1 kWh costs ¥3, the reduction of 1,000 kWh would mean an increase of about ¥3,000 in profit, or nearly 10% of the estimated profit of ¥30,000 per mt.

2. The company has been importing bauxite at prices a little lower than the international standard from two affiliates in British Borneo of the Canadian corporation, namely Sematan Bauxite and *Seever* Bauxite. Purchases from these firms are estimated to comprise two-thirds of the total needs.

3. The company is allowed to send some engineers to a research institute in Switzerland, where a one-year training course is annually sponsored by the Canadian mother firm for technical personnel from about 70 affiliated firms in 40 countries all over the world. The benefit from such educational service is beyond imagination.

In addition, the company is enjoying various benefits from the Canadian partner also in connection with exports of its products and imports of metal aluminium.

The company now operates three plants, closely connected with one another, at Shimizu, Kambara and Niigata (the former two in Shizuoka prefecture). Alumina is available at the Shimizu Plant, and it is supplied to the refineries at Kambara and Niigata to be electrolyzed into metal.

The Shimizu Plant's alumina capacity was expanded from 160,000 to 180,000 mt. a year in the October 1959-March 1960 period, and it will further be boosted to 210,000 mt. At the Kambara Plant operating at the capacity of 35,000 mt. a year, expansion plans are being carried out for 22,000 mt. more. New equipment for 18,000 mt. will be completed by April, 1961, thereby to boost the total capacity to 53,000 mt. The Niigata Plant now is rated at 29,000 mt. a year Thus, the combined aluminium capacity in April, next year, will amount to 82,000 mt. It is also to be noted that the Kambara Plant is provided with cheap electricity from five hydro-power stations owned and operated by the company itself on the Fujigawa—the main reason for the lowest production cost of aluminium in this country.

A central research institute now is under construction near the Kambara Plant, and it will be completed within the current year. Intensive studies will be made about aluminium refining and processing, development of new markets for aluminium, etc.

Funds necessary for these programs in fiscal 1960 are scheduled at ¥5.5 billion, of which ¥1,320 million is for the Shimizu Plant (alumina), ¥3,140 million for the Kambara Plant (aluminium), ¥90 million for the Niigata Plant (aluminium), ¥358 million for the research institute), and ¥600 million for general equipment.

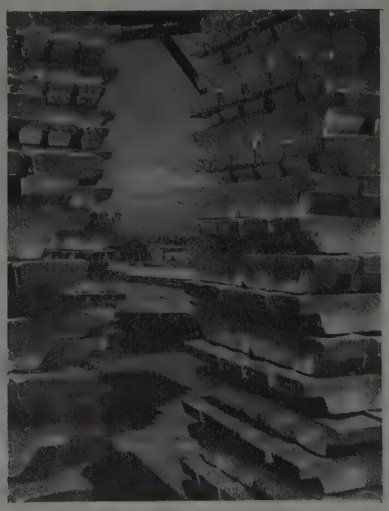
In fiscal 1959, production totalled 156,256 mt. for alumina, and 53,828 mt. for metal aluminium (sales at 57,978 mt.). As a result, sales summed up to ¥14,196 million with profit at ¥1,817 million. The dividend was declared at 10% a year, and the stock dividend was paid at the rate of 0.1 against one per half-year term.

The Company's subsidiaries include: Nikkei Real Estate, Nikkei Kako, Nikkei Aluminium, Osaka Aluminium, Nippon Electrode, Hokuriku Light Metal, Nikkei Shoji, Nikkei Sangyo, Taiyo Aluminium, Higashi Koki (recently set up for making rolling stock sashes) and Arakawa Hydro-Power Generator (jointly established with Tohoku Electric Power).

Nippon Light Metal's Aluminium Production

	Metal Output (mt.)	Number of Workers at Term End
1954 September	14,278	3,643
1955 March	13,887	3,600
September	13,529	3,571
1956 March	15,071	3,535
September	16,461	3,557
1957 March	15,729	2,970
September	15,907	3,128
1958 March	17,404	3,144
September	21,366	3,168
1959 March	23,302	3,162
September	25,990	3,249
1960 March	27,838	3,207

(The Niigata Plant resumed operation in this term.)



Aluminium Ingots at Kambara Plant

Showa Denko K. K.

Bird's-eye View of Ohmachi Plant

Showa Denko, capitalized at ¥9 billion, is a giant electro-chemical concern. Main products are aluminium, ferro-alloys, electrodes, abasives, organic chemicals, inorganic chemicals, petrochemicals, automic furnace materials and fertilizers. Ranking among top makers in all these lines, the company is the second largest aluminium refiner in Japan, next only to Nippon Light Metal.

The history of its aluminium business dates back to 1933 when its predecessor, Nippon Iodine (headed by the late Nobuteru Mori) built an aluminium plant at Omachi, Nagano prefecture, in March and an alumina plant at Yokohama in April. Early in the following year, the company succeeded in refining 664 mt. of aluminium metal from alumina available from alunite. This was the first time that aluminium was made in this country. In 1934, the company was renamed Nippon Denki Kogyo, which in turn was changed into Showa Denko, in June, 1939, simultaneous with the merger with Showa Hiryo, another outfit of the Mori interests. In December, 1943, aluminium was started on a big scale at a new plant at Kitakata, Fukushima prefecture.

After the war's end, the Kitakata Plant was re-opened in 1946, and the Omachi Plant in 1951. The company has since been explanding its refining capacity : the present capacity is rated at 35,000 mt. a year for the Kitakata Plant and at 10,000 mt. for the Omachi Plant, or a total of 45,000 mt. At Kitakata, new equipment, completed in June, 1960, with the construction cost of ¥3,900 million, accounts for 15,000 mt.

The alumina plant at Yokohama has also been enlarged in the meantime. A new program is being pushed there to boost the annual capacity to 40,000 mt., and it will be completed by the end of the current year. Accordingly, new construction plans now are under contemplation for refining business.

As the new equipment at Kitakata has been put into operation, aluminium production will further increase in the future. Aluminium output by half-year term is shown below:

Showa Denko's Aluminium Output

(In mt.)

	First Half	Scond Half	Total
1956	9,456	10,135	19,591
1957	8,923	9,835	18,758
1958	10,834	12,758	23,592
1959	12,890	14,049	26,939

As for aluminium processing, the company has under its wings Showa Aluminium (holding one half of the total shares). Marketing of aluminium and products thereof is entrusted to another offiliate, Kyodo Light Metal (holding 62.7% of the total shares).

From June through December, 1959, aluminium comprised 19% of the total sales. This precentage was not much different from that in the second half of 1955. In the meantime, however, the total turnover increased by nearly 14% from ¥15,400 million to ¥17,500 million. The smaller rate of growth in aluminium business resulted from the fact that sales expanded more sharply for ferro-alloys, electrodes and abrasives. But aluminium was the second largest source of profit earnings, next only to ferro-alloys.

It is interesting to note the remarkable changes in the compsotion of sales in the past few years. In the second half of 1955, fertilizers comprised 55% of the total turnover, but the share dropped to not more than 25% in the second half of 1959. In contrast, the percentage rose from 40% to 53% for metals (aluminium, ferro-alloys, etc.) and from 5% to 22% for chemicals as shown below :

Showa Denko's Sales by Product

(In %)

2nd Half	Fertilizers	Metals*	Chemical
1955	55	40	5
1959	25	53	22

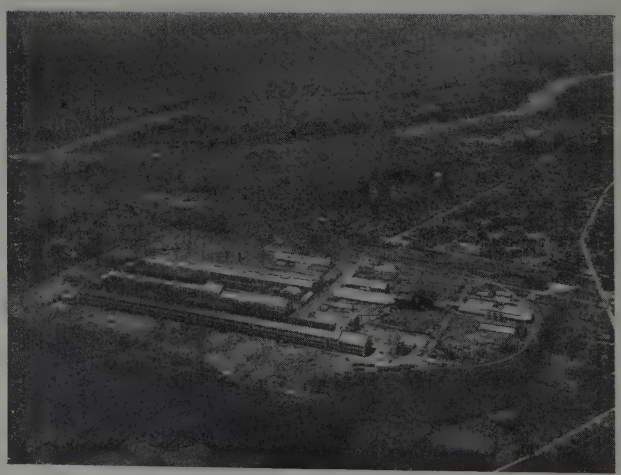
Note : * Including aluminium as well as abrasives, electrodes, ferro-alloys, electrolytic plates, etc.

Thus, it can be seen that, in stepping up its expansion programs in the past years, the company has been giving more weight to aluminium and other metallic products and to chemicals rather than to chemical fertilizer business, needless to say, the upper limit is rapidly approaching on any further expansion, and the profit margin is getting narrower.

A more noteworothy fact is the company's ambitious entry into inorganic synthetic chemistry, especially petrochemistry. As part of its first stage construction program in this line, the company set up Showa Yuka, which is planning to produce 10,000 mt. of polyethylene a year by the Phillipps method. Waste gas available from the new company is to be used as a new source of ammonia gas for the Kawasaki Plant.

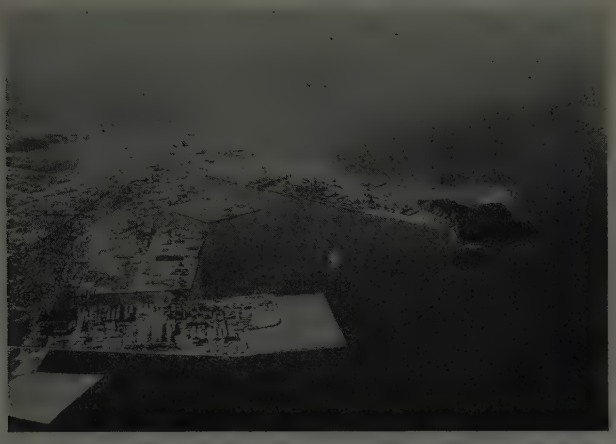
Marking the commencement of the second stage construction in petrochemical business, the production of propylene glycol (by the process developed by the company itself) was started in February, 1960, with the capacity of 1,800 mt. a year. Plans are under way also for boost of propylene glycol output and production of carbon black (5,000 mt. a year by the Philipps method), both to be completed in October, 1960.

In the first half of 1960, sales will reach ¥17 billion, and profits aboute ¥1 billion. The dividend will be kept on the 12% mark. Business will further improve in the second half



Bird's-eye View of Kitahama Plant

Sumitomo Chemical Co., Ltd.



Bird's-eye View of Niihama, Oe and Kikumoto Plants

Capitalized at ¥8,000 million, this company sells about ¥40,000 million worth of products a year. Manufacturing seven varieties of products (chemical fertilizers, industrial chemicals, dyestuffs, pharmaceuticals and agricultural chemicals, synthetic resins, aluminium and others), it is not only the biggest chemical concern but also one of the mammoth corporations in Japan. Aluminium, however, is none other than one important product, accounting for 11.8% of the total sales in 1959 as shown below:

Sumitomo Chemical's Sales in 1959

	Turnover (billion yen)	% of total
Chemical Fertilizers	9.2	23.2
Industrial Chemicals	7.6	19.1
Synthetic Resins	7.6	19.3
Aluminium	4.7	11.8
Pharmaceuticals & Agricultural Chemicals	3.6	9.1
Dyestuffs	2.7	6.9
Others	4.2	10.6
Total	39.6	100.0

Operating Kikumoto Plant at Niihama, Shikoku, the company now has the annual capacity of not more than 31,000 mt.

In terms of sales, aluminium is less important than some other lines, but it can compete with even some synthetic resins (e.g. polyethylene and polyvinyl chloride) as profit earners. Moreover, it is enjoying brighter outlook than any other product. In this light, the company is accelerating the construction works of a new plant in Nagoya as its Kikumoto Plant at Niihama has no room for capacity expansion.

The Nagoya Plant is located at a 130,000-m^2 site, Sennencho, Minatoku, Nagoya, near Sumitomo Light Metal Industry (one of the Sumitomo affiliates specializing in aluminium processing). The first stage construction with the annual capacity at 15,000 mt. will be completed in May, 1961; and the second stage one with the same capacity, by March, 1963. Thus, the company will have another 30,000-mt. plant by that time. The total funds necessary for this expansion program are estimated at ¥8,400 million.

Five years ago or in 1955, the company's capacity stood at only 14,000 mt. a year. But it rose to 24,000 mt. in June, 1959, and to 31,000 mt. in June, 1960. Three years hence, it will further climb up to 61,000 mt., indicating the surprisingly rapid tempo of expansion. For all this, the management fears, supply cannot keep abreast with demand.

The Nagoya Plant is located very near Sumitomo Light Metal Industry's mill so that refined aluminium may be supplied in form of molten metal to the latter and rolled into various primary products. In this way, transport cost can be reduced to nil; and the process of melting for rolling, dispensed with.

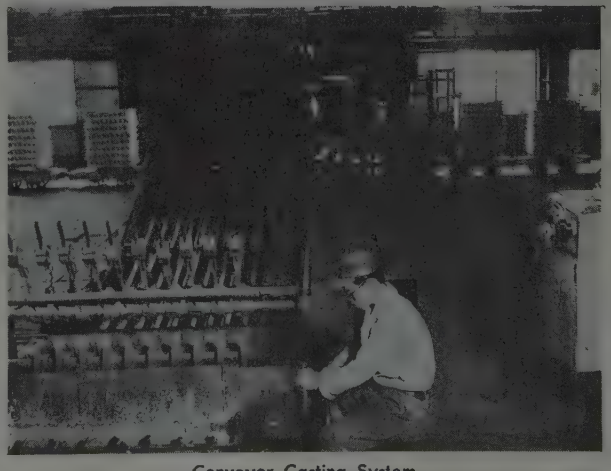
It is to be recalled that Sumitomo Chemical's production cost of aluminium has been somewhat higher than that of the other two refiners mainly because of higher electricity charges in Shikoku. As for the new plant at Nagoya, it is estimated that overall cost will be off 20% from the present level, so the company will be well able to compete with the two rivals in cost. Needless to say, cost reduction is the ultimate aim of the Nagoya Plant construction. Another aim is the closer combination of refining and rolling operations or the first attempt of this sort in this country. Little wonder that the company now is expecting a good deal of the Nagoya Plant, which will gain more importance than the Kikumoto Plant at Niihama in the future.

Sumitomo Chemical and Sumitomo Light Metal Industry are combining efforts for development of their affiliated secondary products processor, Nippon Aluminium (head office in Osaka). It was in 1957 that Nippon Aluminium was put under Sumitomo's orbit. It had been making on a small scale household utensils and other products. Since last year, it has been expanding its production capacity and diversifying its lines, manufacturing such new products as impact press products and building materials. And it has been enjoying better business. It is said that it will construct a new mill somewhere in Tokyo.

In this manner, the ever-closer combination among the three Sumitomo firms in the aluminium industry has gradually built up its stronghold competitive with the Showa Denko and Nippon Light Metal groups. The future rivalry among these three groups is watched with great interest.

Some people fear that the liberalization of international trade will bring about effects to bear upon Sumitomo Chemical, particularly its aluminium business. It is true, aluminium cost is higher here and abroad because of higher-priced electricity. But this handicap affects not only Sumitomo Chemical but the other refiners as well and, moreover, aluminium comprises a little over 10% of the total sales as mentioned above. It is too premature, therefore, to say that prospects are gloomy for the company.

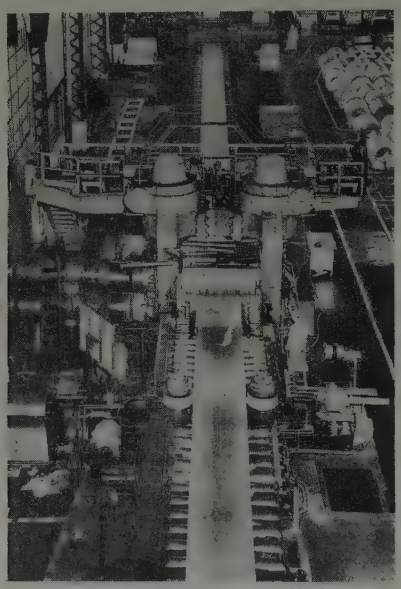
The company's sales five years hence are scheduled to increase to ¥100,000 million a year, or 2.5 times. The evil effects, upon aluminium, if any, of the freer trade will be written off by the greater sales of other products.



Conveyor Casting System

Furukawa Aluminum Co., Ltd.

Furukawa Aluminum Co., Ltd. (Furalco) was jointly established in August, 1959, by the Furukawa Electric Co., Ltd. and Aluminum Company of America (Alcoa). At that time, it was capitalized at ¥1.6 billion and financed at the ratio of 2–1 (2 for Furalco, 1 for Alcoa). The Japanese firm offered in kind the Nikko Plant's light metal equipment and the Oyama Plant, their total value estimated at ¥1.1 billion, and the Alcoa provided all sorts of know-how it had, estimated at ¥0.5 billion. For further rationalization, Alcoa later transferred ¥90-million worth of equipment from the United States, so Furukawa Electric has decided to finance ¥80 million more in cash in July, this year, in accordance with the financing ratio of 2–1. As a result, the company's capital will be boosted to ¥1,770 milion. It now has nearly 1,000 workers on its payroll.



Hot Rolling Mill at Nikko Works.

The company makes it a rule to settle its accounts twice a year, i.e. March and September. In the first 8-month term from its establishment through March, 1960, sales amounted to ¥4,325 million (of which exports comprised ¥180 million), but profit came at not more than ¥30,431,000 because of the heavy burden of promotional fund and capital interest. No dividend was paid. Production and sales in this term are listed below:

Furukawa Aluminum's Production & Sales

(Aug., 1959-Mar., 1960)

Products	Production (mt.)		Sales (million yen)	
Rolled Products				
Rolled Products	9,035	(72.5)	2,665	(61.6)
Pipes & Bars	2,584	(20.7)	1,137	(26.3)
Manufactured Products	184	(1.5)	124	(2.9)
Others	—		77	(1.8)
Castings				
Castings	300	(2.4)	153	(3.5)
Die Castings	363	(2.9)	166	(3.8)
Others	—		4	(0.1)
Total	12,466	(100.0)	4,325	(100.0)

Note: The percentages in brackets.

Out of the total sales, the company had to pay 1.5% as royalties to Alcoa and 2.5% as sales commission to Furukawa Electric. Besides, ¥125 million was earmarked for depreciation. Production in the first business term averaged about 1,560 mt. a month, or a tangible gain of 11.6% from Furukawa Electric's average turnout of 1,340mt.

The company is already operating almost at full capacity as it has been flooded with active orders since its incorporation. And prospects are getting brighter. It has been expected that time will come soon when it has to introduce another boost in capacity.

The ultimate aim of the program is to carry out an overall reorganization so that the Mizujiri (Nikko) Plant may specialize in rolled products and the Oyama Plant in pipes, bars, etc. As the first step in this direction, a new 6,000-m² building is under construction in the compound of the Oyoma Plant, and a 2,200-ton extruder, bought from Hydro-Press (USA), will be put into operation there in August, this year. And a 1,250-ton extruder will be transferred there from the Mizujiri Plant. As a result, the Oyama Plant will have its monthly capacity boosted from 600 to 1,000 mt. for bars and pipes. Its capacity for castings and die castings will also be expanded from 150 to 260 mt. a month.

Due to the installation of additional equipment from Alcoa to the rationalization of the existing facilities, the Mizujiri Plant's rolling capacity will increase from 1,200 to 3,000 mt. a month.

In this way, the company is planning to meet the possible pickup of aluminium requirements in 1961 and 1962. Another attempt will be made to install more rolling mills.

With its monthly output at 1,560 mt., the company now appears to be the biggest among the big six aluminium processors in Japan. Particularly in pipes and bars, it boasts of long experience and high technique, and its capacity is more than twice that of all others.

Last but not least, the company now controls a number of minor interests manufacturing secondary and tertiary aluminium products. Stimulated by Sumitomo Light Metal Industry's domination of Nippon Aluminium, for instance, it put under its orbit Higashi Nippon Aluminium (capitalized at ¥90 million, making aluminum tanks, containers, etc.) in January, 1959. In April, 1960, it set up Nishi Nippon Aluminium (capitalized at ¥45 million) for manufacture of aluminium ship equipment in cooperation with Nagasaki Sempaku Sobi. In the following month, it bought 25% of Nikkei Kakoki's shares (capitalized at ¥10 million).

Backed up by Alcoa or the biggest integrated aluminium firm in the world, the company gains advantages over its rivals in both technique and trade route. At home, it is provided with ample material by the largest refiner in Japan or Nippon Light Metal, and its best clients include Fuji Electric, Fuji Tsushinki Seizo and the above-mentioned subsidiaries. Thus, it will enjoy smooth and rapid growth in the future.

A Bus Made of Furukawa Aluminium

Showa Aluminium Co., Ltd.

4-High Cold Rolling Mill

Showa Alminium Co. is one of the leaders in the field of aluminium processing in Japan. The Company's sales and profits are by far the best in the country, while the variety of its products is truly worthy of the name of an all-round maker of aluminium items. The Company's integrated system—from dissolving to finished products—is another strong asset to the company.

In is only recently, however, that the Company has started to dominate the field. Although the company's establishment dates as far back as 1905 when the company started operation under the name of Takada Aluminium, the Company was a mere small business only several years ago producing aluminium utensils for household uses. With its affiliation with the mighty Showa Denko—one of the leading producers of chemicals—in 1953, the Company switched to a bold and positive management policy and advanced into a series of new fields with a great deal of success. And finally at present, the Company ranks in the front row of Japan's aluminium makers.

Now a complete subsidiary of Showa Denko, majority of Showa Aluminium's capital is supplied by the mother company with most of the directors and officers of the company assigned from Showa Denko. Getting all the aluminium bars from Showa Denko, the Company is currently producing monthly 1,100 tons amount of all kinds of aluminium goods. The Company's production division is usually broken up into the following five departments—Aluminium Sheet; Aluminium Foil; Aluminium Shapes: Aluminium Parts for Electric Equipment and Appliance and others. No other Company boasts of such a wide variety of products. The percentages held by the five departments are: Sheet, 35%; Foil, 22%; Shapes 10%; Electric gadgets, 24% and others, 9%.

Major boosters of the Company's business results are the aluminium foils and shapes. For a long time, the use of aluminium foil was limited to packing cigarettes. Recently, however, a minor revolution has occurred and a variety of food and cosmetics are being wrapped in aluminium foil, with the demand for the aluminium foil virtually skyrocketing in the past several years. As the production of foil, however, requires a very high technical standard, only four companies are now able to produce any satisfactory aluminium foils and the supply is greatly limited. Because of this favorable supply-demand situation for the manufacturers, there is a great deal of profits for the four foil manufacturers. Showa Aluminium is now reaping a fat profit for its bold attempt to double the foil production facilities in 1958 in the midst of industry-wide depression.

Started to roll only three years ago, the Company's aluminium shapes department is also enjoying unusually good business these days, as the Company's advance into this field just synchronized with the growing demands for a wide range of aluminium shapes from a variety of quarters—construction, rolling stocks, engineering and chemical production facilities. The bold and energetic management policy in advancing into new fields has proved to be a big factor in the Company's present prosperity. Another example of the Company's positive policy is the early introduction of the know-how about evaporators from the U.S. Because of this policy, the Company was able to ride on the rising tide of "light electric machinery boom" in Japan.

Showa Aluminium is now planning another series of expansion. The first of which is the large-scale enlargement of the Company's Sakai Works in the City of Sakai in western Japan, while the second one is the establishment of a new factory in Koyama City, Tochigi Prefecture. As the demand for aluminium products is spiralling, the plan has been under consideration to expand the Sakai Works. The plan has finally materialized and the Company is pushing the plan to erect a new rolling mill and a set of dissolving furnaces at the Sakai Works by the end of March, 1961 in the hope of boosting the monthly production to 2,000 tons—almost double the current production amount. Beside this, the Company is scheduled to import a big extruding press from the United States in order to boost the Company's capacity in the field of foils and shapes.

The new factory scheduled at Koyama City, on the other hand, is going to make processings on aluminium sheets produced by the Sakai Works, with the main emphasis placed on the parts and accessories of refrigerators. The factory is also scheduled to be completed in March, 1961. This, however, is only the first stage. The Company is planning to make this factory an all-round one in the near future adding a series of facilities to make all kinds of semi-finished and finished aluminium goods. The future of Showa Aluminium will hinge on the development of this factory.

Press Working Plant

Nikkei Aluminium Co., Ltd.

Bird's-Eye View of Tokyo Plant

This company is a subsidiary of Nippon Light Metal, which holds nearly 60% of the total shares. It is capitalized at ¥400 million and employs 1,354 workers (as of March 31, 1960). It consumes 560-600 mt. of metal aluminium a month, entirely provided from the mother firm, of which the Tokyo Plant accounts for about 250 mt. and the Nagoya Plant for 320-330 mt. The metal consumption will increase to about 1,000 mt. as from October, 1960.

Both plants are equipped with rolling mills and extruders, and they are concentrating more efforts than ever upon the production of building materials, rolling stock parts, etc. though they have thus far been almost specializing in daily necessaries.

The Tokyo Plant has recently installed a 3,250-ton oil pressure horizontal extruder (bought from Hydro-Press in the USA), or the newest type equipment in the world, which is to be used mainly for fabrication of sashes. In 1958, the plant started making aluminium cans with an aluminium press bought from Germany. In view of the ever bisker demand for aluminium containers made by the impact extrusion method, it has recently installed a set of impact plant and two sets of printing equipment for full-scale production of containers.

For manufacture of aluminium sashes, the company has been cooperating technically with General Bronze (USA). It has so far been making small size alwintite, but it now is assembling large size permatite for which demand is rapidly growing. A new assembling plant has recently been built for this purpose. In view of the increased output of such large size building materials, direct current type continuous oxide film equipment has been completed.

Recently installed at the Nagoya Plant is a four-stage cold roll mill, designed by Aluminium Limited of Canada (which finances Nippon Light Metal or the mother firm) and fabricated by Shibaura Kyodo Kikai. The mill has the authorized capacity of 800 mt. a month.

As these newly-built machines will be put into operation in the middle of 1960, the company's business will undergo a complete change in composition.

It is to be recalled that the company is a successor to the defunct Nasu Aluminium or an old-timer in this field noted for its trade mark "Nigiriya" for household utensils. In August, 1950, Nippon Light Metal took active part in the management of Nasu Aluminium, and it finally reorganized the latter into Nikkei Aluminium in May, 1958 (at present the Tokyo Plant).

In the business term ending with March, 1960, sales amounted to ¥1,582 million, or up 67% from ¥943 million three years ago. Profit summed up to ¥8.82 million.

Nikkei Aluminium's Sales & Profit

(In ¥1,000)

Term ending with	Sales	Profit
1957 March	942,840	3,014
September	920,190	3,140
1958 March	969,616	⊢4,934
September	975,890	3,790
1959 March	1,125,479	4,046
September	1,353,734	6,665
1960 March	1,581,549	8,824

Note: No dividend has been paid in these terms.

Besides, internal reserves in the latest term totalled ¥19.2 million (15.5 million for depreciation of dead loans, ¥2.0 million for bad debts and ¥2.2 million for price fluctuations). It means that the company reaped a real profit of about ¥30 million.

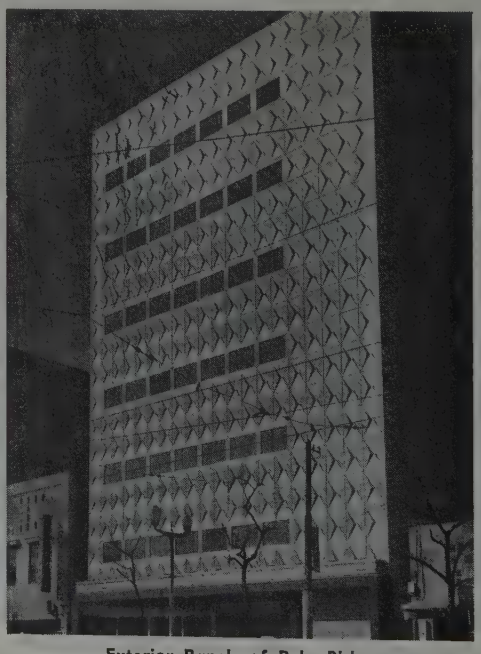
Profit will steadily increase and reach ¥30 million per half-year term when the newly-built machines are put into full operation.

It is noteworthy that in the company's sales, primary products and daily necessaries have been losing in importance in contrast to the growing weight of industrial supplies and building materials. This tendency will naturally become all the more conspicuous in the future because the company is pushing its production program in this direction in view of the recent changes in the distribution of aluminium requirements.

Composition of Nikkei Aluminium's Sales Value

(In %)

Term ending with	Primary Products	Daily Necessaries	Industrial Supplies	Building Materials	Processing on Consignment
Mar., 1959	44.4	33.2	14.4	5.9	2.1
Sept., 1959	41.5	32.6	16.0	7.3	2.6
Mar., 1960	39.5	26.9	18.7	8.5	6.4



Exterior Panels of Pola Bldg.

Commodity Market

Iron & Steel:—Market prices of steel products have continued lethargic with those of designated items subject to the collective open sales system (medium shapes, small and medium bars, plates, blacksheets and ordinary wire rods) sagging well below the list prices.

Steel business, however, has not been so acutely depressed as the movement of market prices indicates, as well demonstrated by the following facts: 1) The list prices under the collective open sales system have been left unchanged at the levels set by the upward revision in May, 1959, and key manufacturers have been enjoying fair sales at the list prices; 2) The demand for steel products has continued to remain high and the monthly production is repeating peaks; and 3) Business results of major steel manufacturers for the half-year term ended March, this year set new records well in excess of the preceding half-year term, and are bound to make a new leap for the current term. The only trouble is that production has been increasing at an energetic pace, and the supply is tending to eclipse the demand.

Movement of Market Prices of Major Steel Products

(In ¥1,000 per ton)

	Small Bars	Medium Shapes	Hot-rolled Blacksheets	Plates
January	38.0	38.3	55.8	47.8
February	37.4	39.3	55.1	49.3
March	37.4	39.3	54.8	47.0
April	37.0	39.5	54.8	46.8
May	36.5	38.8	54.8	46.3
(List Prices)	42.0	44.0	58.0	52.0

Source: *The Oriental Economist.*

Parallel with the increase in production, imports of pig iron have kept on rising. With the imports of pig iron in fiscal 1959 (ended March, 1960) at 484,600 tons, the purchases from overseas in fiscal 1960 are estimated to mount to 947,700 tons. As the market has continued weak, the raison d'etre of the collective open sales system is called in question and the lowering of the list prices has come to be studied.

Special Steels:—Spurred by the boom in consumer industries like motors and machinery, the production of special steels has increased sharply with the monthly average in fiscal 1959 (ending March, 1960) reaching 78,000 tons as compared with the fiscal 1958 average of 47,000 tons. Despite the swelling production and mounting shipments, however, the prices of steel products have continued stable on the strength of fair demands.

Cotton Yarn:—Cotton yarn quotations, bearishly stable in April, began to tend downward from the start of May with the high at the Osaka market (30s: current-month delivery) reaching only ¥177.9 for the month, as compared with the April high at ¥189.5. The weakening tone continued into June with the high down to ¥173.2 and the low sagging to ¥172.5 in the middle part of the month. The quotations for futures delivery stayed lower at ¥170.6 in May and ¥169.0 in the fiscal half of June. Held chiefly responsible for the collapse were: 1) Mounting inventories which stood at well over 600,000 bales at the end of May as compared with 555,600 bales at the end of March and 588,200 bales at the close of April; 2) The delay of the Diet approval of the revision bill of the Textile Industry Equipment Treatment Law (providing for intensified restrictions on the expansion of equipment); and 3) The consequent difficulty to restrict the production of "outsider" manufacturers, and the possible increase in oversupplies. Meanwhile, the demand picture has continued fair with the export shipments in the first four months of 1960 reaching 9,246 tons (3,986 tons in the corresponding period of 1959) and 331,243,000 sq. meters in cotton fabrics (324,550,000 sq. meters), while the domestic consumption of yarns and fabrics also fared well, but the production has swelled at a faster tempo. Hence, adjustment of mounting inventories in the second quarter (July through September) is considered difficult at the current rate (15.0%) of production cutbacks. With import liberalization for textile products forthcoming in April, 1961, the production advance is expected to continue unabated for some time.

Raw Silk:—Raw silk continued firm with the high at the Yokohama silk market registering ¥3,300 (21A per kg.: current-month delivery). The stiffness of raw silk quotations in recent weeks is due to the advent of the lean delivery season, and the market is bound to weaken with the start of the delivery season from July. Silk exports have been brisk with the shipments in the first four months of 1960 totalling 22,058 bales (as compared with 17,723 bales in the like period in 1959), and the shipments of silk fabrics aggregating 29,657,000 sq. metres (17,973,000 sq. metres). With the domestic demand also continuing sound, raw silk is likely to stand firm regardless of the movements of other fibres.

Meanwhile, the production of raw silk in May totalled 18,599 bales, registering a decrease of 3,625 bales (14.0%) from the April output, and 50 bales less than in the corresponding month (May), 1959, according to the Ministry of Agriculture & Forestry. On the other hand, raw silk export shipments in May at 7,166 bales were a gain of 1,802 bales (34.0%) over April, and up 2,583 bales (56.0%) over a year ago, while domestic deliveries in May increased 1,870 bales (10.0%) over April and 2,333 bales (13.0%) over the like month a year ago to 20,749 bales, according to the same source. May-end inventories stood at 10,438 bales, down 3,269 bales (24.0%) from April and up 3,842 bales (58.0%) over a year ago.

Woollen Yarn:—The woollen yarn market sagged further in May through early June with quotations remaining low in the first two weeks of the latter month. Deterrents which brought pressure to bear on the woollen yarn market are similar in nature to dampers to cotton yarn, namely: 1) The rising volume of inventories with the April-end balance reaching 12,759 tons for worsted yarn, as compared with 11,664 tons at the close of March; 2) The increasing production which reached a new postwar peak at 8,113 tons; and 3) The rising weight of woollen yarn mixed with synthethic fibres. In these circumstances, the rate of production curtailment in the second quarter (July through September) has been raised to 40.0% from 30.0% for the first quarter.

Chemical Fibres:—The rally of the rayon filament quotation (Osaka: 120D per 500 kgs.: current-month delivery), which rose 178.3 in April, did not last long, as the price quickly dived to ¥166.9 in May and further dipped to ¥166.6 in mid-June. Meanwhile, the exports of rayon filament yarn in the first five months of 1960 (January through May) totalled 7,630 tons, comparing favorably with 4,688 tons in the corresponding period in 1959, but the exports of rayon filament fabrics at 98,395,000 sq. metres were somewhat smaller than 107,450,000 sq. metres a year ago. Spun rayon yarn, which recovered to ¥118.2 per lb. (Osaka; current-month delivery) in April through early May, slipped to ¥104.5 by mid-June. Exports of spun rayon yarn in the first five months of 1960 totalled 3,674 tons and those of spun rayon fabrics 192,562 sq. metres, well behind the exports in the like period a year ago at 5,834 tons and 233,089 sq. metres, respectively. Without possessing any leadership in the textile markets, the prices of rayon filament and spun rayon items are bound to be immediately affected by the fluctuations of other fibres.

Investment Outlook

Yawata Iron & Steel Co., Ltd.

Yawata Iron & Steel, the largest steel maker in Japan, registered the total sales of ¥92,400 million in the half-year term ended March, 1960 to top the list of Japanese manufacturing companies, far eclipsing the second-ranking Hitachi, Ltd. the largest manufacturer of electric machinery which sold ¥88,200 million worth in the same term. Yawata Iron & Steel originated from the Yawata Iron Works, a governmental corporation established in 1901. Some of the outstanding features of Yawata Iron & Steel are as follows:

1) The overwhelming weight in the total iron & steel production in Japan and the wide variety of products. The Company manufactures almost all types of steel products with the exception of steel tires and pipes, although the pipe production is undertaken by Nippon Tokushu Kokan, one of its subsidiaries. In the production of heavy rails, silicon steel sheets, tinplates and sheet piles, Yawata Iron & Steel almost monopolizes the market, while it accounts for 24.0% of the nation's output of crude steel. The ratios of major steel products manufactured by Yawata Iron & Steel to the total national outputs are as follows:

	Yawata's Output (Metric tons)	Against National Total
Rails & accessories thereof	177,222	71.2%
Shapes	144,366	18.1
Bars	39,479	3.7
Wire rods	135,687	23.9
Heavy plates	263,804	18.9
Sheets	416,587	30.3
Pipes	—	—
Steel tires	—	—
Hoops	—	—
Total	1,177,145	19.7

Note: Figures for the half-year period, April to September, 1959.

2) High standards of equipment rationalization and technical renovation. For instance, the coke ratio, which stood at 901 kgs. in 1952, has slipped to 620 kgs., the lowest in the world, in recent months. The fuel consumption per ton of crude steel has also dropped from 1,390,000 K cal to 600,000 K cal in the same period. The Company is at the top of Japanese steel manufacturers in the induction of newest technology for production operations including strip mills and rolling mills. The Company is also positive in the production of new items, and the new additions to the long list of its products since the war's termination include bonde sheets, electrolytic tinplates, high-grade silicon steel sheets, straight sheet piles, Z-type sheet piles, wide-flange beams, and WT 60 (weldable high tensile strength steel).

3) Multilateral management. The Company has many subsidiary firms engaged in the manufacture of a wide variety of affiliated products including secondary steel products and chemicals.

Half-year term ended	Sales	Profits	Profit rate	Dividend
Dec., 1958	11,418	607	27	15%
June, 1959	14,490	610	27	15
Dec., 1959	15,429	940	21	12

On the basis of those merits, Yawata Iron & Steel is now engaged in a large-scale expansion and rationalization project. Upon the completion of the present project scheduled in 1969, the production of the Company will be increased sharply to 2,959,000 tons in pig iron, 4,325,000 tons in crude steel, and 3,351,000 tons of steel products. Under the project, the Company's equipments will be completely rejuvenated and rationalized. Under the expansion project now being pushed (1959 through 1965) at the total cost of ¥268,500 million, the plants at the Tobata area will be enlarged and a new steel works will be erected in Sakai. Now capitalized at ¥38,000 million, the Company sold ¥92,400 million for the semi-annual period ended March, 1960, garnered the profit (before tax) of ¥5,184 million after setting aside the sum of ¥8,945 million for depreciation, and gave a 10% dividend. Larger sales and a fatter profit are believed in store for the Company for the current term ending September.

	December, 1958	June, 1959	December, 1959
Fertilizers	31.2%	31.2%	25.6%
Metals	47.0	50.6	52.6
Chemicals	21.8	18.2	21.8
Total	100.0	100.0	100.0

Notes: Fertilizers . Ammonium sulphate, calcium cyanamide, synthetic fertilizers, compound fertilizers, etc.
Metals . . . Light metals, ferro-alloys, electrolytic iron, abrasives, electrodes, etc.
Chemicals . Organic and inorganic chemicals, carbide, etc.

Sony Corporation

Sony Corporation (capitalized at ¥900 million: Masaru Ibuka, president) was founded in 1946 as a ¥190,000 firm under the name of Tokyo Tsushin Kogyo (Tokyo Communication Industry). Devoted to the production of measuring machines in the initial stage, the company started manufacturing broadcasting equipments for NHK (Japan Broadcasting Corporation) from about 1948. The company began manufacturing magnetic sound recording tapes in 1949, and later advance to the production of tape recorders. In, 1953, the company concluded a technical tieup contract with Western Electric Co. (U.S.) for the manufacture of transistors, and started manufacturing and marketing transistors and diodes in 1954, and commenced the sales of transistorized radio sets in 1955. It is noted that Sony is the first Japanese company which industrialized the production of transistors. In the field of transistorized radio sets, Sony made itself internationally renowned and domestically popular, and "Sony" has now become the accepted "trade mark" of Japan-made transistorized radio sets on the world market. It was a few years later in about 1958 that key electric industrial companies such as Tokyo Shibaura and Hitachi started mass-manufacturing transistorized radios. In February, 1958, Sony concluded a technical tieup contract with General Electric Co. (U.S.) to start manufacturing transistors for industrial uses. In the same year, Sony introduced to the market the first Japanese video-tapecorder completed by virtue of the company's advanced technique. What made Sony more internationally famous, however, was the introduction of "Ezaki Diode," announced in 1959. The product was completed by R. Ezaki, the company's chief engineer. This new-type diode, which, possessing the original functions of rectification and detection, also works for oscillation and amplification, has made itself more closely studied in the United States than in Japan. The company also embarked upon industrialization of transistor television sets in early 1960, and will start manufacturing them at the monthly capacity of 10,000 units in this autumn. The company is led with an able staff of scientists. Of the total staff of more than 2,000, over 300 are scientists devoted to technical studies at the annual laboratory cost of about ¥400,000,000. As a leading transistorized radio manufacturer, Sony has made a spectacular advance in these five years, and the sales for the current (ended October) may well exceed ¥6,000 million.

Tokyo Shibaura Electric Co., Ltd.

Tokyo Shibaura Electric, popularly known as "Toshiba." is a representative manufacture of electric machinery. Founded in 1875, the Company has been closely related since before the Pacific War with General Electric Co. (U.S.) both in capital and technical tieups. The relationship between the two companies has become closer after the war's termination with International General Electric now holding 7.2% of the total issued shares of Toshiba. The list of the Company's specialities has been markedly widened in the past several years. Among its new products are diesel electric locomotives, steam turbines and generators, high-voltage electric machinery, organic silicon compounds, trolleys, trolley buses, brakes, flourescent lamps, etc. Since before the war, Toshiba has had technical tieup contracts with the Radio Corporation of America (R.C.A.) for the production of transmitting and receiving equipments. After the war, such technical tieup contracts have been widened to the field of telecommunication equipments including T.V. sets, radio sets, and electronic tubes. Among other overseas collaborators for Toshiba are Western Electric (U.S.); Canadian Nickel Products, Ltd. (Canada); Transit Research Corporation (U.S.); Electric & Musical Industries, Ltd. (Britain); Gramophone Co., Ltd. (Britain), etc. On the list of overseas companies to which Tokyo Shibaura Electric is extending technical assistance are Radio & Electricals Manufacturing Co., Ltd. (India); Tatung Steel & Machinery Co. (Formosa); Electric Construction & Equipment Co., Ltd. (India); Formosan Fluorescent Lamp Co., Ltd. (Formosa); and Chinese Electric Equipment Co., Ltd.(Formosa). Capitalized at ¥25,000 millions "Toshiba" is today manufacturing a wide variety of electric machinery and appliances numbering more than 4,000. The Products of the Company may be roughly divided into four major groups, namely: bulb products; electric appliances; electric machinery; and communication equipments. Specializing in bulb products, the Company has seven factories—Horikawamachi, Himeji, Kokura, Osaka, Yokosuka, Sunamachi, and Transistor, while five plants at Yanagicho, Fuji, Kawaguchi, Nagoya and Tamagawa are engaged in electric appliances. Devoted to the manufacture of heavy electric machinery are four factories at Tsurumi, Fuchu, Miye and Kamata, and the Komukai works take charge of manufacturing communication equipments. For the half-year term ended March, 1960, the Company sold ¥63,200 million worth (including 16% of lighting appliances, 32% of electric appliances, 31% of heavy electric machinery, and 21% of communication equipments), or an increase of some 21% over the sales in the preceding term. and reported the profit at ¥6,155 million (profit rate, 63.9%), more than enough for a 15% dividend. The business of the Company is certain to improve further in the current term-(ending September).

C. Itoh & Co., Ltd.

C. Itoh & Co., Ltd. is one of the "Big 4" commercial houses in this country (the other three being Mitsui Bussan K.K., Mitsubishi Shoji K.K., and Marubeni-Iida Co., Ltd.). Capitalized at ¥5,400 million, C. Itoh & Co. ranks third in capital, fourth in the amount of sales, and third in the profit garnered. As the Company made its start as a textile merchant, it still boasts of the largest transactions in textile goods in this country and also ranks among the "biggest" in the world in this field. During the half-year term from October, 1959 through March, 1960, the Company's transactions in textile goods totalled ¥142,083 million worth including ¥43,332 million in cotton yarn and fabrics, ¥32,-999 million in silk, rayon filament and like items, ¥26,867 million in synthetic fibres, ¥15,774 million in woollen goods, ¥10,053 million in raw cotton, ¥7,200 million in woollen and hard fibre raw materials, and ¥5,858 million in domestic fabrics. As the executives of the Company are well-trained experts in the textile field, another gigantic advance of the Company in the transactions of fibrous goods is expected guaranteed with the progress of trade and exchange liberalization. The recent promotion of S. Echigo to presidency well be speaks of the Company's enthusiasm for textile business, as Mr. Echigo was in charge of its textile division for many years. Also noteworthy, however, is the Company's recent advance to chemical and heavy industries divisions.

C. Itoh's Business Results

(In million yen)

Half-year term ending	Transactions	Profits	Profit rate	Dividend rate
Mar., 1958 . .	146,366	400	22%	15%
Sept., 1958 . .	144,014	422	23	15
Mar., 1959 . .	146,816	541	30	15
Sept., 1959 . .	176,656	786	44	15
Mar., 1960 . .	233,755	926	51	15

During the half-year term under review, the Company's sales in these fields totalled ¥91,672 million, or 39.0% of the total transactions. On the list of major products handled in these divisions were iron and steel products, metallic ores, non-ferrous metals, machinery, aircraft, atomic power materials, fertilizers, chemicals, paper and pulp. For the strengthening of the non-textile divisions, the Company has been endeavoring to tighten its tieups with leading manufacturing companies such as Matsushita Electric Industrial, Nippon Gas Chemical and Japan Petrochemical, while included among its major subsidiaries are Takiron Chemical (plastics) and Sanko Paper.

Breakdown of Sales for March (1960) Term

(In million yen)

		% in total
Exports	39,332	17
Imports	47,632	20
Domestic	143,318	61
Overseas	3,473	2
Total	233,755	100
Textiles	142,083	61
Non-textiles . . .	91,672	39

To cope with the increasing trend of leading commercial houses to tieup with principal banking and industrial groups (for instance, Mitsui Bussan in the Mitsui group, Mitsubishi Shoji in the Mitsubishi group, and Marubeni-Iida in the Fuji Bank-Hitachi group), C. Itoh & Co. has been active as a designated merchant serving for the Dai-Ichi Bank group (Kawasaki-Furukawa-Kobe Steel Works) as well as for the Sumitomo group. The Company expects to sell ¥270,000 million worth of goods in the current term (ending September) for a ¥1,100 million profit and a 15.0% dividend, and will decide on another capital expansion in 1961. With the increasing liberalization of international trade almost a certainty, the future of C. Itoh & Co. is exceptionally rosy.

Errata:—Sales amount for C. Itoh in the table in the article on Marubeni-Iida in May issue (p. 241) should have been 786 instead of as printed.

Company Notes

Kaplan Turbine Bound for India (*Hitachi, Ltd.*)

Hitachi, Ltd. has completed the manufacture of a 38,800KW Kaplan turbine for shipment to an Indian power plant in Orissa, India. The turbine under review is the largest Kaplan turbine ever exported from Japan with the fall standing at 36.3 metres, running at 150 revolutions per minute, using 166.7 cubic metres of water per second, and equipped with the spiral casing of 6.3 metres in inlet diametre and the runner 4.7 metres in diametre.

Export of Dump Trucks to Malaya (*Mitsubishi Nippon Heavy Industries, Ltd.*)

A contract for the export of dump trucks was concluded by Mitsubishi Nippon Heavy Industries, Ltd. for shipment to Malaya. The contract comprises eight T-52 type dump trucks, one BBV-type bulldozer, and one BS31-type tractor shovel. Additional orders are reported forthcoming.

TV Sets, Electric Organs U.S.-bound (*Victor Company of Japan, Ltd.*)

Victor Company of Japan, Ltd. recently made a shipment of $1,400,000 worth of its specialities to the United States under a contract with Del Monico International, Ltd. (New York). The shipment comprised tape recorders, electric organs, TV sets (both table and portable), transistor radio sets, Hi-fi stereo sets, etc.

Ajinomoto Goes to Europe (*Ajinomoto, Ltd.*)

Ajinomoto, Ltd. has decided to start selling its products in the European Common market. According to the present plan, Ajinomoto plans to establish an Ajinomoto manufactory somewhere in Europe as a joint venture with a leading sugar company or a chemical firm within the common market for the monthly production of about 300 tons of Ajinomoto to be marketed in Europe.

Yashica-Polaroid Camera Tieup (*Yashica Optical Co.*)

A tieup contract for the production of the Polaroid Land Camera in Japan has been arranged between Polaroid Land (U.S.) and Yashica Optical Co. (Japan). The Polaroid Land Camera which develops its own pictures has been regarded here as an epoch-making camera which is destined to revolutionalize the camera world. Yashica Optical has succeeded in arranging the contract in the face of stiff competitions staged by camera manufacturers in Japan and West Germany.

Lamp without Heat (*Tokyo Shibaura Electric*)

Tokyo Shibaura Electric Co., Ltd. has succeeded in manufacturing a sealed-beam-type electric bulb (Cool-beam lamp) which produces the least amount of heat and a flourescent lamp free from ultra-violet rays. The company will soon be ready for mass-manufacturing those two new items, the newest on the world market.

Mercury Rectifiers to India (*Tokyo Shibaura Electric*)

A package order for mercury rectifiers and other equipments for four substations for Indian National Railways (Central Railway and Western Railway) has been received by Tokyo Shibaura Electric Co. The contract for the present order was awarded to Tokyo Shibaura Electric through an international tender held in Calcutta recently, in which more than 10 electric companies from Japan and Europe participated. Substations which are equipped with Tokyo Shibaura products will be erected in the City of Bombay.

New Routes for Iino Steamship (*Iino Kaiun K.K.*)

Iino Kaiun K.K. has decided to divide its regular Japan-San Francisco-New York-Canada line into two new routes—the first linking Japan directly with New York and the second connecting Japan-Lake Erie via San Francisco and Eastern Canada, effective in July. Under the new route arrangement, the cruise from Japan to New York will be cut from 24 days to 22 days, the voyage from Japan to Montreal from 33 days to 29 days, and the voyage from Japan to Detroit from 42 days to 38 days.

Largest Blower for Sintering Furnace (*Ebara Mfg. Co., Ltd.*)

The largest blower for a sintering furnace ever made in this country was completed by Ebara Mfg. Co., Ltd. The new blower, made by order of the Muroran Works of Fuji Iron & Steel Co., Ltd., has the capacity of 4,300 H.P. The largest blower of the same type now operating is 1,500 H.P.

Transistor Radio with Clock (*Matsushita Electric Industrial*)

Matsushita Electric Industrial Co., Ltd. is applying for patents in leading countries for a transistorized radio set combined with a clock. The new gadget is the combination of a T-48 model radio set (seven transistors two band) and a small electric clock, and will be marketed in Japan from July at the price of ¥15,000.

Machine Tools Export to Soviets (*Mitsubishi Shipbuilding & Engineering*)

Marking the first export of Japanese machine tools to the Soviet market, Mitsubishi Shipbuilding & Engineering Co., Ltd. recently concluded a contract with the visiting Soviet trade mission for the sales of small-type lathes. Under the contract, the initial sample shipment of 15 HL-300 model high-speed small-type lathes will be made to the Soviet Union. An additional order for 200-300 more sets is expected forthcoming, if trial operation of sample lathes proves satisfactory.

Klystron of Shortest Wavelength (*Oki Electric Industry Co., Ltd.*)

Oki Electric Industry has succeeded in the test manufacture of a 4 wave-belt klystron (75,000 Mc belt), the shortest wave length klystron ever made in Japan and the world. The Company is now making studies for the test production of a 3 wave-belt klystron.

Japanese Dept. Store in Hongkong (*Daimaru, Inc.*)

As the first step for its advance to Southeast Asian markets, Daimaru, Inc. has decided to open a branch store in Hongkong under the name of Hongkong-Daimaru Department Store, Ltd. The new "Hongkong-Daimaru," a joint undertaking with local financiers, will be capitalized at $3,000,000 HK (¥210,000,000).

All-Nylon Conveyor Belt Made (*Bridgestone Tire Co., Ltd.*)

Bridgestone Tire Co., Ltd. has succeeded in manufacturing an all-nylon conveyor belt at its Kurume plant. The success resulted from special equipments erected at the Kurume plant at the cost of ¥1,000 million for removing elasticity from nylon yarn. All-nylon belt has the tensile strength 2.5 fold that of vinylon and about 6.0 fold that of cotton.

Tieup with G.E.C. for Atomic Reactor (*Fuji Electric Mfg. Co., Ltd.*)

The Foreign Investment Council of the Government on June 7 formally approved a technical tieup contract between Fuji Electric Mfg. and General Electric Company, a noted atomic reactor maker in Britain, for the production of Calder Hall improved-type atomic reactors. This is the first approval of tieup contracts by Japanese firms with foreign concerns in the field of atomic reactors. The Mitsubishi atomic energy group has applied to the Government for a similar license, while other atomic energy industrial groups such as "Toshiba," "Hitachi," "Sumitomo" and "Tokyu" are also planning to conclude tieup arrangements with foreign firms in the atomic reactor field.

Japan-Thai Sugar Tieup (*Osaka Sugar Refining Co., Ltd.*)

A technical and capital assistance contract has been concluded by Osaka Sugar Refining with Pepli Trading Company, a leading sugar refiner in Thailand. Under the contract, the Japanese sugar firm will modernize the equipments of the sugar mill of the Thai concern for a daily refining capacity of 300 tons during the current year.

Tricycle Export to Pakistan (*Daihatsu Kogyo K.K.*)

Daihatsu Kogyo K.K., well-known manufacturer of autobicycles, has signed a contract for the export of 176 chassis of auto-tricycles bound for Pakistan. Under the contract, which is the first of the kind concluded with Pakistan, the shipment was scheduled on June 20.

Book Review

Nihon Nogyo Kozo-ron (*Agricultural Structure of Japan*) (*In Japanese*) *By Yoshito Takebe. Published by Toyo Keizai Shinpo Sha, Tokyo. Pp. 209. Price: ¥450.*

Agriculture is generally considered to be one of the most vulnerable points in Japan's industries when the country adopts full-scale trade liberalization measures. The present book delves deep into the intrinsic nature of Japan's agriculture from a variety of view-points—production, management, supply-demand relations etc.— all these in comparison with the statistics in other countries.

It is true that Japan's agricultural industry has much of its post-war burdens lifted when the farmlands monopolized by a handful of owners were made available to the "share-droppers." through the farmland democratization movement after the Pacific War. The per capita income of an average farmer, however, is still among the lower in the world rankings. For example, national income in the primary industry in Japan stood in the 1955-56 statistics at the lowly 20% of the total and placed 23rd in the world's billing.

The annual per capita income of an average farmer stood in 1957 at ¥281,500—mere 30% of its counterpart in manufacturing industries. The main reason for this astoundingly low rate of income is the over-population of the farmlands with the resultant shrinkage of per capita farmland holdings.

By kinds of crops, rice plants account for 40% of the total Japanese cultivated farmlands followed by wheat and barley (20%); other cereals (14%); horticulturist plants (6%); vegetables (6%); fodder, etc. (5%) and sweet potatoes (5%) and others.

These and many other interesting features combine to make this book a must for those who are interested in the Japanese agriculture and its structure. (*K.N.*)

The Manchester School of Economics. *By William D. Grampp. Published by Stanford University Press, 1960. Pp. viii & 155. Price: $4.00.*

This book is an analytical report of one of the major changes in economic policy in modern times. The Manchester School was a group of free traders who united in the first half of the 19th century to force the repeal of the Corn Laws and so commit Great Britain to a commercial policy unique in history. This book delves deep into the social backgrounds at the time as well as the stand of contemporary economists and other intellectuals, as Ricardo, Malthus, John Stuart Mill, Marx, etc. One of the major features of this well-documented work is its classification of the so-called free traders (who, in the common conception, all look alike) into five categories-self-interested business men; humanitarian business men; pacifists, philosophic, utilitarian radicals; and middle-class radicals. Although united against the repeal of the Corn Laws, each group had its own ideas about everything else. Not only that, even among the members of each group, there is vast differences of opinion upon selected theories and situations. For example, Richard Cobden and John Bright, both of whom are usually considered to have been the leaders in the Pacifist camp, had their own ideas about the Civil War in the United States. This book places particular emphasis upon the illumination and elucidation of these varieties of opinions among the members of the so-called Manchester School. The book is particularly interesting in that it gives us a chance to compare with profits the sharp division of opinions between the protectionists and free traders in the first half of the 19th century with the currently-running opinion diversification upon the problem of freer trade. (*K.U.*)

The Economics of Money & Banking—3rd Edition. *By Lester V. Chandler. Published by Harper & Brothers, N.Y., 1959. Pp. xiii & 549. Price: $6.50.*

As the book is chiefly meant for the college students, it covers all the rudimentals about the workings of money and banking-from the explanations about such tools of banking as rate of money and interest rate, followed by the relationship with the modern schools of economics (emphasis being placed on such conceptions as G.N.P.) and the development of banking policies in the United States. By simply perusing through this book, any novice can get the knack of how to further study the complex problems of money and banking. The writer's attempt to giving the readers basic training in the studies of money and banking can safely be said to have superbly materialized in the current book. (*K.U.*)

FBI Register of British Manufacturers 1960. *Edited and published by Federation of British Industries. Pp. 1,157. Price not listed.*

The advent of a new season in industry becomes all the more acute with the arrival of this wonderfully edited last word on British industries and enterprises. Carrying on bravely for 32 long years as the lexicographer of British industries, FBI deserves the highest of praises for its painstaking efforts, by the grace of which hundreds of thousands of overseas manufacturers and trading concerns can carry out their business with far more ease and profit. This book is undoubtedly a must in every industrialist's library. (*A.T.*)

Economics for Pleasure *by G. L. S. Shackle; Published by Cambridge University Press. 1959. Pp. 268. Price: 21s net.*

As economics makes use of a great deal of mathematics and many complicated diagrams, it is often called a gloomy science by readers who are little acquainted with the subject. The author has written this book as an attempt to overcome this fault of most economics text books.

Professor Shackle states his object, "The problem, then, is to bridge the gulf between the economist on the one side and the businessman, the banker, the politician, the journalist, the student and the ordinary man on the other." For this reason, he has written the book in plain language, and containing neither any mathematics nor any diagrams.

The contents are divided into eight books, Value, Production, Income, Distribution, Employment, Finance, Government and Trade, with each book consisting of five chapters, and each chapter, in turn, divided into two sections. The first section of each chapter is an explanation for the ordinary man, presenting a familiar situation demonstrating some part of economic theory, while the second is a more technical comment on the topic, explaining the relevant technical terms.

Because of this, a beginning reader might do well to read through only the first section of each chapter, while a more advanced reader can also read the second sections. In this manner, Professor Shackle has tried in every way to interest persons unfamiliar with modern economics, and it is not too much to say that his efforts have attained a hign degree of success.

This reviewer can not state with conviction that this book should be read "for pleasure" as the title indicates, but no one can deny that it is an economics text with most of the unpleasantness removed. (*K.U.*)

Studies in Company Finance—A Symposium. *Edited by Brian Tew & R.F Henderson. Published by Cambridge University Press, 1959. Pp. xii & 301. Price: 35s net.*

This book is a triumphal combination of two of the most incongruous ingredients (or so many believe)—theoretical analysis and practical side of the manegerial accounts. For the first time, this book presents an analytical summary of the financial position of those British companies engaged in trade and manufacture whose shares were quoted on the Stock Exchanges. It covers 2,549 companies, producing about half the total output of British manufacturing industry, during the five year period 1949-53.

In every country, the ways of making accounts of company management vary from industry to industry reflecting the particular characteristics of each industry. It is extremely difficult, therefore, aggregate and homogenize the accounts of a variety of industries in order to make a fair analysis. The editors of this book take pains in unifying the conception of the titles of accounts and, according to the new-found standards, try to make things extra clear.

There are studies on the companies' growth, dividend policy, degree of reliance on retained profits, use of bank credit, use of trade credit and resort to the new issue market. In addition, the book includes studies of particular industries (brewing, cotton, building materials and pottery, etc.) to show how this financial information can be used with other material to give more thorough and comprehensive picture of the industry than was possible before. (*K.U.*)

Company of the Month

TOYO RAYON COMPANY, LTD.

Nylon Spinning Process at Nagoya Works

Champion of the Chemical Age

THIS is a chemical age.

Indeed, the 20th century has witnessed a truly amazing development of the chemical industry which has brought about radical changes in many phases of daily life.

Japan, whose traditional silkworm culture dates back to the remote ages before recorded history, quickly assimilated the techniques of manufacturing chemical fibres, and in the half a century that followed, such fibres became the very nucleus of our textile industry. Japan's limited natural resources also helped promote the rapid progress of the industry.

Since its foundation in 1926, Toyo Rayon Company has been engaged solely in the manufacture of chemical fibres, and has introduced to the vast consuming public the three major fibres known as rayon, nylon and Toray Tetoron (polyester fibre). During its history of over three decades the Company's concentrated efforts towards development have earned for it the most prominent position in Japan's chemical fibre industry, and in this field Toyo Rayon Company is today one of the leading manufacturers in the world.

World economy is evolving at a tremendous tempo following the technical progress made in recent years in all fields of production. Through long range plans and ceaseless research efforts the Company is seeking to keep constantly ahead of the times.

The marketing of the new polyolefine fibre called Pylen and Toray polyacrylic fibre is progressing, as are plans to manufacture plastics and films.

Meanwhile constant efforts are being made to ensure the highest possible qualities and minimize the costs of production through rationalization of management which features the most up-to-date efficiency and quality controls, market planning and systematic employee training.

"Finer, stronger and lovelier fibres for the home and industry, to bring a broader and richer life to all"—is the aim to which Toyo Rayon Company is extending every endeavour.

Brief History of Toyo Rayon Company

The history of Toyo Rayon Company dates back to 1926 when Mitsui Bussan Kaisha erected its first plant manufacturing rayon filament yarn near Lake Biwa in Central Japan. With the powerful financial support from the Mitsui Bussan, Toyo Rayon started out on a carefully mapped-out development plan with facilities and techniques introduced from Britain, Germany and Italy—the three leaders in the chemical fibres industry. In 1937, the Company began to produce rayon staple and much of this production was exported throughout the world by way of the powerful sales network of Mitsui Bussan. In 1941, the first synthetic fibre—nylon 6—emerged from the Company's laboratory. Industrialization of this item, however, was hindered by the outbreak of World War II. Production was resumed after the end of hostilities, and the remarkable progress achieved in quality and quantity has made nylon the Company's most important product.

In 1951, the Company concluded a licence agreement with E.I. du Pont de Nemours & Company of the U. S. The Company's nylon facilities ranks third in the world, next only to those of Du Pont and Chemistrand. In 1957, the Company concluded a licence agreement with Imperial Chemical Industries of Britain in order to industrialize the production of the polyester fibre—Toray Tetoron. The new Tetoron factory in Mishima has the daily production capacity of 30 tons.

Okazaki Plant newly built in Aichi Prefecture,

Fresh, wrinkle-resistant dress in Toray Tetron fabrics.

Toyo Rayon, which has passed from rayon to nylon and from nylon to Tetoron, is now busily engaged in preparations for the next step forward; for the industrialization of a 4th fibre Toray polyacrylic fibre. Moreover, a 5th fibre—Pylen (polyolefine) has already passed the experimental stages.

Features of Toyo Rayon Company

Toyo Rayon Company is the largest producer of chemical fibres in Japan. Its annual capacity for producing rayon, nylon an Toray Tetoron totals some 100,000 tons. The sales in 1959 were estimated at some $220-million or approximately ¥80,000-million.

Rayon today is one of Japan's foremost products, and in 1959, the company produced 42,000 tons, or 11 % of the national production. In nylon, 24,000 tons or 80 % of the national total was produced by the Company, which retains its firm position as the leading nylon manufacturer and the pioneer in this field of industry in Japan.

With Toray Tetoron, the Company's third fibre, the daily production reached over 30 tons within less than one year after its industrialization was begun in 1958 following the licence agreement with Imperial Chemical Industries Ltd.

In 1959 the Company's production of these fibres reached 15% of the total output of chemical fibres in Japan.

Toyo Rayon Company is constantly rationalizing and modernizing its gigantic production facilities to ensure improvement of qualities and productivity. For instance, the rayon plants are equipped with various up-to-date facilities such as continuous aging and flash deaerating equipment. The adoption of the Slurry System for the first time in Japan is another example of the Company's positive efforts towards increasing its productivity. Similar modernization and rationalization are progressing equally in the production of nylon and Toray Tetoron—a task for which the Company is willing to spend any amount of labor and money in order to "Supply the world with products of the highest quality at the most reasonable price".

Research Activities of Toyo Rayon Company

Since its inauguration, Toyo Rayon has spared no efforts in promoting research activities in order to achieve constant technical development. The creation of numerous original products and innumerable instances of improvement in quality and production methods were brought about by the long and unremitting efforts in research.

The fact that the Company acquired a large number of industrial rights will serve to indicate the scale of these research activities. The Company's research personnel comprises 1,301 men and women, 182 of whom are technical staff engineers, 970 technical assistants, and 149 engage in miscellaneous works.

Subjects of research are roughly divided into the following three categories.

1. Creation of new synthetic fibres.
2. Improvement of the quality of rayon and synthetic fibres.
3. Study of spinning, weaving and dyeing techniques.

The Central Research Laboratories are concentrating their activities on basic studies, and six other laboratories annexed to the plants are engaged in the study of the following subjects:

1. Experimental study of matters directly related to the manufacturing processes of the respective plants.
2. Study of methods to create greater efficiency and conveniences to the respective plants.
3. Operation of pilot plants to promote the study of experimental creations, improvement of factory equipment and new products.

A few years ago the Company equipped a quantity of cobalt 60 to further the study of high-molecular science through the use of radiation and also installed a 1-million electron volt van de Graaf type accelerator. Such equipment will help promote the study of the physical and chemical properties of high-molecular compounds—especially those of fibres, and will contribute in no small measure towards improving qualities and creating new products. Toyo Rayon is also engaged in a programme of expanding the facilities of the experimental laboratory for the study of spinning and dyeing techniques.

(*The catalogue number of Toyo Rayon is 192.*)

Central Research Laboratories

1. Business Indices

Items	Units & Standards	1957 Ave.	1958 Ave.	1959 Ave.	1959 Dec.	1960 Jan.	1960 Feb.	1960 March	1960 April	1960 May	1959 ***
Finance & Banking											
Treasury Acct. with the Public (1)	Fiscal Year • ¥100,000,000	2,597	(-) 2,510	(-) 1,334	(-) 1,110	1,326	777	524	(-) 1,288	419	144
Bank of Japan Accounts (2) End of Year or Month											
Bank Note Issues	¥100,000,000	8,371	8,910	10,294	10,294	8,740	8,659	8,766	9,044	8,699	7,388
Loans Total	,,	5,519	3,793	3,379	3,379	2,978	3,647	4,256	3,347	3,346	3,153
Government Bonds	,,	3,872	5,360	6,448	6,448	5,027	4,217	5,289	5,205	4,507	4,038
Postal Savings and Postal Transfer Savings (3) End of Year or Month	,,	7,654	8,625	8,939	9,732	9,894	9,870	..	..	..	8,509
All Banks Account (2) End of Year or Month											
Deposits	,,	55,048	64,840	74,136	74,136	73,134	73,235	▲76,626	▲76,129	77,605	66,483
Loans	,,	50,244	58,129	68,028	68,028	68,219	68,807	70,271	70,222	71,283	60,483
Clearings of Bills (4)											
Number	1,000 bills	161,191	166,838	183,445	21,500	12,202	15,918	16,808	15,930	16,562	14,452
Amount	¥100,000,000	511,712	569,395	571,905	59,747	42,334	50,541	58,253	53,766	50,940	43,113
Interest Rate on Loan of All Banks (2)	Per Diem Rate for ¥100	2,304	2,333	2,223	2,223	2,236	2,246	2,249	2,252	..	2,229
Stocks											
Average Share Price (Tokyo Stock Exchange) (5)											
Dow-Jones**	Yen	535.57	571.97	821.52	923.78	932.08	986.08	1,028.07	1,077.59	1,052.95	776.92
Simple Arithmetic Means	,,	114.10	110.36	146.39	152.36	150.34	158.12	163.20	166.75	161.73	141.54
Tokyo Stock Exchange (5)											
Total Turnovers	Million Stock	7,692	11,684	21,201	1,823	1,669	1,635	2,511	2,333	1,675	1,858
Investment Yields	%	7.14	6.66	4.54	4.70	4.43	4.24	4.18	4.05	4.53	4.63
Prices											
Bank of Japan Wholesale Price Indices (2)											
Total Average	1952=100	105.3	98.4	99.5	101.6	101.5	101.1	101.0	100.9	100.8	98.7
Producer Goods	,,	107.5	97.8	98.8	100.3	100.0	99.7	99.6	99.5	99.1	98.4
Consumer Goods	,,	102.2	99.3	100.3	103.4	103.5	102.9	102.9	102.9	103.1	99.0
Consumers Price Indices (6)											
All City Average	1955=100	103.5	103.0	104.1	105.3	106.2	106.3	105.8	106.5	..	103.7
Tokyo	,,	103.9	104.9	106.3	108.0	108.8	108.9	108.3	108.9	109.8	105.4
Tokyo Retail Price Indices (2)	,,	104.4	103.2	102.9	103.4	104.2	104.7	104.8	106.0	105.4	101.5
Tokyo Living Cost Indices (7)	1952=100	869.3	871.7	879.1	890.8	908.1	906.5	912.0	916.7	913.1	869.9
Foreign Trade Price Indices (1)	1946. 11=100										
Exports	1953=100	97.4	90.7	90.4	93.2	93.6	94.1	94.4	94.7	..	89.1
Imports	,,	101.4	88.4	83.7	82.7	82.8	83.4	83.4	83.4	..	83.8
Foreign Trade											
Exports & Imports (1)											
Exports	Million Dollars	2,858	2,877	3,457	394	218	318	350	311	311	278
Imports	,,	4,284	3,033	3,598	373	331	364	435	355	385	322
Balance	,,	(-)1,426	(-) 156	(-) 141	21	(-) 113	(-) 46	(-) 87	(-) 44	(-) 74	(-) 44
Foreign Trade Volume Indices (1)											
Exports	1953=100	231.5	239.9	284.9	382.7	213.7	308.0	337.3	303.2	..	254.5
Imports	,,	172.4	141.8	178.9	222.5	193.5	211.7	249.6	206.5	..	178.3
Foreign Exchange Accounts (2)											
Total Receipts	Million Dollars	3,643	3,510	▲3,913	▲385	▲ 310	▲ 329	▲394	329	..	302
Total Expenditure	,,	4,175	2,999	▲3,561	▲379	▲ 339	▲ 350	▲390	338	..	313
Balance	,,	(-) 533	511	▲ 352	▲ 6	▲(-)29	▲(-)21	▲ 4	(-) 9	..	(-) 11
Foreign Currency Reserve (1)	,,	*524	*861	*1,322	1,322	1,328	1,321	1,361	1,385	1,419	1,073
Production & Inventories											
Producer Delivery Indices (8)											
All Industries	1955=100	143.1	144.2	▲178.2	206.5	192.2	215.4	232.8	216.6	..	168.4
Mining & Manufacturing	,,	144.1	144.8	▲179.9	▲208.7	193.9	219.4	236.9	219.5	..	169.6
Manufacturing	,,	146.1	147.0	▲185.2	▲215.8	200.4	227.7	245.8	227.3	..	174.6
Raw Material Inventories Indices (8)	,,	▲163.1	160.8	▲170.2	177.3	178.8	181.6	▲186.2	186.0	..	158.7
Producer Goods Inventories Indices (8)											
Mining & Manufacturing	,,	126.5	152.7	152.3	158.1	161.6	173.3	▲179.8	168.6	..	138.5
Sellers Inventories Indices (8)	,,	145.1	154.6	154.1	165.1	170.2	181.9	185.5	..	..	144.6
Construction Works Started (9)											
For Private Living	1,000 SM	22,413	23,194	25,701	2,883	1,294	1,817	..	..	..	1,788
Others	,,	21,332	19,970	25,065	3,198	1,650	2,037	..	..	..	1,951
Order Received for Machinery (10)	¥100,000,000	—	4,783	6,918	793	669	676	▲952	696	..	469
Warehouse Inventories (8 Biggest Cities) (11)	1,000 tons	3,017	2,719	..	..	..	..	..	..	..	2,648
Railroad Carloadings (12)	,,	179,992	167,047	177,757	16,346	14,115	15,568	16,817	16,141	16,445	15,229
All Japan Department Store Sales (8)	¥million	309,950	338,370	388,421	76,816	26,152	26,005	35,566	▲34,713	31,600	26,637
Labor, Household Budget											
Employment Indices (Regular Employees) (13) Manufacturing	1955=100	122.7	125.4	136.3	142.7	142.6	143.1	146.3	153.9	..	135.6
Employment Total (6)	10,000	4,284	4,312	4,370	4,248	4,101	4,202	4,331	4,488	..	4,393
Agricultural Employment	,,	1,607	1,547	1,537	1,378	1,280	1,292	1,391	1,513	..	1,576
Non-Agricultural Employment	,,	2,677	2,765	2,833	2,869	2,821	2,910	2,940	2,974	..	2,816
Total Unemployment (6)	,,	52	56	58	46	55	51	72	47	..	57
Regular Employee Cash Wage Total (13) Manufacturing	Monthly - yen	19,259	19,180	20,782	40,869	18,129	18,281	18,110	18,669	..	17,425
Regular Employees Real Wage Indices (13) Manufacturing	,,	109.3	112.8	121.0	235.1	103.4	104.2	103.7	106.2	..	101.8
Wage Earners Household Budget (All Cities) (6)											
Income	Monthly - yen	32,664	34,663	36,873	74,834	30,784	31,752	33,853	34,188	..	32,075
Expenditure	,,	28,946	30,638	32,126	53,478	29,540	29,386	32,679	32,552	..	29,760
Consumer Standards (10) All Cities	1955 F.Y.=100	109.8	116.9	123.1	187.9	111.2	116.8	123.1	127.3	..	120.1

Sources: (1) Finance Ministry. (2) Bank of Japan. (3) Ministry of Postal Services. (4) Tokyo Clearing House. (5) Tokyo Stock Exchange. (6) Statistics Bureau., Prime Minister's Office. (7) The Oriental Economist. (8) Ministry of International Trade & Industry. (9) Ministry of Contruction. (10) Economic Planning Agency. (11) Transportation Ministry. (12) Japanese National Railways. (13) Labor Ministry

Notes: *as of Dec. **New version of Dow-Jones average is in effect since January, 1959. For the continuity of indexes, however, *The Oriental Economits* carries the old version re-calculated and adjusted from the new version. *** Corresponding months a year ago. ▲ Revised at source. Culculation methods of foreign exchange statistics have been readjusted retroactive to January, 1959. *The Oriental Economist* carries the newly adjusted version of statistics, from this issue on.

2. Treasury Accounts with the Public

(In ¥100,000,000) (Ministry of Finance)

Items	Fiscal 1958	Fiscal 1959								Fiscal 1960	Fiscal 1959
	Total	Apr.—June	July—Sept.	Oct.—Dec.	Jan.—Mar.	Total	Feb.	Mar.	Apr.	May	May
General Account											
Revenue											
Taxes	10,151	2,620	2,880	3,012	3,400	11,913	894	1,509	834	866	672
Monopoly	1,176	396	344	226	257	1,226	106	93	152	161	139
Others	459	193	105	118	105	521	34	44	122	40	36
Total	11,786	3,329	3,329	3,356	3,762	13,660	1,034	1,646	1,108	1,067	847
Expenditure											
Security Forces	506	103	116	108	81	409	20	23	11	—	—
Defense Agency	1,159	395	231	390	298	1,318	91	148	199	88	89
Public Works Expenditure	1,175	230	235	421	415	1,294	79	311	292	81	34
Local Finance Equalization Grants	2,566	1,171	724	647	378	2,919	136	206	652	—	—
Compulsory Education Expenditure	952	261	192	346	178	977	64	48	108	92	67
Others	4,397	1,137	913	1,375	1,023	4,449	306	463	622	348	▲ 302
Total	10,755	3,297	2,411	3,289	2,273	11,366	696	1,199	1,889	609	492
Balance	1,031	↩ 88	918	69	1,389	2,294	338	447	↩ 781	458	355
Special Accounts and Others											
Foodstuff Control	64	953	↩ 445	↩ 1,462	781	↩ 174	201	299	414	365	342
Trust Funds Bureau	↩ 504	↩ 214	32	↩ 645	71	↩ 753	101	↩ 22	↩ 200	↩ 253	↩ 131
Industrial Investment	↩ 43	↩ 44	30	44	33	23	↩ 10	50	↩ 10	13	↩ 3
Road Improvement	—	↩ 187	↩ 161	↩ 291	↩ 149	↩ 789	↩ 40	↩ 92	↩ 161	↩ 66	↩ 65
National Railways and Nippon Telegraph & Tel. Public Corporation	123	↩ 97	181	↩ 329	244	↩ 6	82	↩ 51	↩ 176	136	75
Finance Corporation	↩ 1,295	↩ 310	↩ 255	↩ 441	↩ 311	↩ 1,296	↩ 76	↩ 175	101	↩ 130	↩ 114
Others	64	↩ 147	356	119	639	967	127	124	↩ 172	↩ 43	↩ 66
Total	↩ 1,591	46	↩ 262	↩ 3,066	1,308	↩ 2,074	385	133	↩ 406	22	38
Adjustment Items	↩ 15	↩ 118	↩ 8	22	61	↩ 40	19	61	19	46	↩ 39
Foreign Exchange	↩ 1,935	↩ 473	↩ 411	↩ 495	↩ 132	↩ 1,513	34	↩ 117	↩ 120	↩ 107	↩ 209
Balance	2,510	↩ 725	237	↩ 3,470	2,626	↩ 1,333	776	524	↩ 1,288	↩ 419	145

3. Monthly Report of All Banks

(March 1960 Excluding Bank of Japan)
(In million yen) (Bank of Japan)

	All Banks							Trust Account (16)
	Debenture Issuing Banks (3)	City Banks (13)	Local Banks (64)	Trust Banks (7)	Total (87)	Leftover from Pre. mo. (87)	Month-end, previous year (86)	
Deposits								
Current Deposits	23,297	846,415	237,481	57,156	1,164,350	1,047,862	1,193,050	—
Ordinary Deposits	9,707	736,653	257,492	30,129	1,234,983	1,185,445	1,083,692	—
Deposits at Notice	38,636	407,006	119,135	59,623	624,402	539,225	520,237	—
Time Deposits	19,349	2,479,267	1,397,773	90,929	3,987,320	3,913,393	3,325,919	—
Special Deposits	3,859	212,959	85,118	23,077	315,014	304,195	262,016	—
Instalment Savings	—	39,825	136,576	3,773	180,175	181,961	172,148	—
Deposits for Tax Payment	201	9,971	3,152	268	13,594	14,081	8,017	—
Deposits of Gov't and Gov't Agencies	511	140,957	—	—	141,468	136,370	118,460	* 236,434
Other Deposits	54	1,319	—	—	1,374	1,074	985	** 398,755
Total	95,617	4,875,378	2,436,731	254,958	7,662,685	7,323,609	6,684,528	—
Borrowed Money	16,759	490,641	6,997	6,540	520,939	505,732	426,341	—
Due to the Bank of Japan Only	6,185	371,931	5,164	848	384,131	332,336	385,972	—
Borrowings for Settlement of Import Bills	488	29,101	45	—	29,634	37,380	40,026	—
Call Money	3,660	196,519	14,378	13,123	227,681	282,772	220,602	—
Cash and Deposits								
Cash in Hand	17,853	763,533	195,204	39,863	1,016,454	912,521	1,066,886	9,294
Deposits with Domestic Money Organs	3,454	36,523	41,500	7,379	88,857	56,880	45,630	1,763
Call Loans	9,217	1,250	68,342	18,620	97,429	112,332	88,516	70,812
Securities								
Government Bonds	1,635	34,070	8,593	439	44,708	44,847	45,464	47
Local Government Bonds	4,428	63,465	29,913	269	98,077	92,788	86,067	1,685
Foreign Bonds	12	1,736	—	—	1,749	1,750	2,768	—
Corporate Debentures	38,220	537,230	350,390	17,785	943,626	926,427	735,076	6,372
Stocks	17,854	124,188	39,520	8,133	189,695	183,656	145,851	6,835
Other Bonds	321	742	1,297	6,725	9,087	6,538	7,542	26
Total	62,473	761,434	429,685	33,353	1,280,945	1,255,649	1,022,770	14,967
Advance								
Discount Bills	16,601	1,503,471	582,865	110,297	2,213,235	2,151,815	1,755,245	12,264
Bank Acceptance Bills	—	999	11,371	22	12,394	11,787	14,618	—
Commercial Bills	16,601	1,501,685	569,662	110,269	2,198,219	2,137,084	1,738,076	—
Documentary Bills	—	785	1,831	5	2,622	2,943	2,549	—
Advances against Guarantee	776,545	2,546,217	1,340,394	104,809	4,767,966	4,671,933	4,166,166	578,847
Loans on Bills	58,221	2,476,751	1,274,581	100,889	3,910,444	3,836,066	3,469,944	140,991
Loans on Deeds	718,207	27,933	50,156	3,137	799,434	776,436	642,783	159,725
Overdrafts	685	41,532	15,656	782	58,088	59,430	53,438	—
Loans for Settlement of Import Bills	685	45,223	712	447	47,068	57,056	59,220	—
Total	793,831	4,094,911	1,923,972	215,554	7,028,270	6,880,804	5,980,631	591,111

Note : * Money in trust total. **Loan trust. Figures in parentheses denote the number of banks surveyed.

4. Bank of Japan Ten-day Report

(In million yen)

(Bank of Japan)

Items	1960			1959
	May 10	May 20	May 1	May 31
LIABILITIES				
Bank Notes Issued	799,483	770,689	869,920	738,859
Bankers' Deposits	47,127	61,184	37,334	9,529
Government Deposits	50,001	35,608	29,304	45,682
Other Deposits	13,946	13,924	13,673	11,101
Reserves Against Contingencies	49,128	49,128	49,128	43,750
Other Liabilities	46,035	44,255	44,584	50,822
Capital Stock	100	100	100	100
Reserve Funds	27,115	29,535	29,535	25,486
Total	1,032,939	1,004,426	1,073,581	925,328
ASSETS				
Bullion	25,521	25,521	25,521	447
Cash	6,272	7,597	7,328	7,399
Discounted Bills	50,731	55,027	52,610	49,952
Loans	269,760	257,770	282,052	265,372
Foreign Exchange Loans	—	—	—	—
Loans to Gov't	—	—	—	—
Government Bonds	449,142	425,133	450,700	403,822
Foreign Ex. Accounts	201,205	201,383	201,466	143,394
Agencies Accounts	9,640	12,041	31,370	21,904
Other Assets	20,665	19,951	22,530	33,038
Total	1,032,939	1,004,426	1,073,581	925,328

5. Outstanding Loans to Industries by All Banks

(In million yen)

(Bank of Japan)

End of Month	March 1960			April 1960		
	Loans Total	For Equipments	For Co. of ¥10 Million or less	Loans Total	For Equipments	For Co. of ¥10 Million or less
Manufacturing total	3,378,285	518,254	871,208	3,392,520	531,153	868,195
Foodstuffs	270,136	252,050	128,263	268,834	18,586	125,658
Textiles	639,466	67,134	211,330	637,237	68,018	210,052
Wood and Wood Products	131,952	4,453	109,669	131,829	4,695	109,065
Paper & Related Products	199,162	44,154	31,895	201,063	44,724	32,496
Printing & Publishing	65,593	7,240	22,963	65,294	7,345	23,000
Chemicals	429,322	106,737	45,129	431,246	109,628	45,656
Glass & Ceramics	128,967	25,684	23,858	129,884	26,632	23,890
Iron & Steel	356,035	101,572	29,728	358,134	104,409	29,485
Non-ferrous Metals	105,666	14,119	18,292	105,756	14,262	18,365
Machinery	179,030	13,837	73,673	181,453	14,229	74,024
Electric Machinery & Tools	285,220	41,486	31,996	288,854	42,815	31,950
Trans. Machinery & Tools	252,879	27,668	29,590	257,255	28,749	30,078
Agriculture	16,453	1,067	19,144	20,227	1,131	19,934
Forestry & Hunting	14,522	86	11,654	14,284	82	11,560
Fishery	80,842	24,769	24,139	80,427	25,254	24,095
Mining	155,307	36,860	16,247	157,452	37,374	16,325
Metal Mining	37,685	10,004	1,163	37,834	10,214	1,152
Coal Mining	95,244	19,823	9,133	96,578	19,801	9,251
Construction	181,970	7,139	74,133	177,751	7,596	70,550
Wholesale & Retail	2,063,479	33,846	969,503	2,063,082	34,378	967,289
Wholesale	1,865,116	19,224	830,264	1,864,464	19,457	828,159
Retail	198,362	14,622	136,239	198,617	14,920	139,130
Finance Insurance	105,705	296	13,278	110,214	285	12,844
Real Estate	55,787	19,197	21,609	56,732	19,586	21,932
Trans. & Communications	350,327	175,458	39,552	351,722	178,118	39,693
Railways	71,247	27,801	258	72,081	28,412	307
Shipping	165,184	115,398	14,545	166,127	117,242	14,723
Public Utilities	252,140	237,634	317	251,352	237,289	333
Services	149,325	45,993	94,342	147,997	46,017	93,688
Local Public Corporation	66,294	12,456	—	41,260	12,550	—
Others	96,730	6,640	96,730	96,857	6,720	96,857
Total	6,970,172	1,119,703	2,251,864	6,961,883	1,137,537	2,243,301

6. Tokyo-Osaka Call-Money and Its Rates

(Bank of Japan)

Year & Month	Tokyo			Osaka		
	Rate		Balance at the End of the Month (million yen)	Rate		Balance at the End of the Month (million yen)
	Over-Month-End (sen)	Unconditional (sen)		Over-Month-End (sen)	Unconditional (sen)	
1959: Dec.	2.30	2.30	214,165	2.30	2.30	54,259
1960: Jan.	2.30	2.30	221,256	2.30	2.30	54,781
Feb.	2.30	2.30	208,600	2.30	2.30	54,524
Mar.	2.30	2.30	188,713	2.30	2.30	49,902
Apr.	2.30	2.30	232,293	2.30	2.30	62,511
May	2.30	2.30	222,434	2.30	2.30	62,833
1959: May	2.40	2.20	142,261	2.40	2.20	40,565

7. Postal Savings & Postal Transfer Savings

(In million)

(Ministry of Postal Services)

End of Month	Postal Savings			Postal Transfer Savings	Total
	Receipts	Payments	Balance		
1959: Sept.	64,165	61,987	903,024	16,294	919,319
Oct.	84,352	71,310	916,067	9,336	925,403
Nov.	61,804	60,059	916,986	9,847	926,843
Dec.	131,380	86,961	962,225	10,937	973,162
1960: Jan.	76,249	58,803	979,672	9,740	989,412
Feb.	72,563	73,725	978,509	8,497	987,007
1959: Feb.	58,109	59,620	844,089	6,831	850,921

8. Bank Clearings

(In billion yen)

(Tokyo Clearing House)

Year & Month	All Clearing		Tokyo		Osaka	
	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount
	(1,000)		(1,000)		(1,000)	
1959: Aug.	14,976	4,541	5,932	2,146	3,110	978
Sept.	15,187	5,041	6,047	2,468	3,129	1,017
Oct.	15,673	4,906	6,304	2,376	3,238	1,012
Nov.	15,136	4,522	6,038	2,186	3,129	923
Dec.	21,500	5,975	8,490	2,884	4,458	1,208
1960: Jan.	12,202	4,233	4,906	2,061	2,347	850
Feb.	15,918	5,054	6,287	2,464	3,287	1,052
Mar.	16,808	5,825	6,725	2,897	3,425	1,160
Apr.	15,930	5,377	6,380	2,609	3,290	1,133
May	16,562	5,094	6,552	3,452	3,411	1,070
1959: May	14,452	4,311	5,858	2,051	2,959	928

9. Average Yields of Debentures

(Industrial Bank of Japan)

Month	Gov't Bonds	Local Gov't Bonds	Financial Debenture		Industrial Debenture
			Interest Bearing	Discount	
1959: Aug.	—	7.720	7.621	6.643	7.909
Sept.	6.324	7.720	7.621	6.643	7.905
Oct.	—	7.709	7.621	6.643	7.902
Nov.	—	7.691	7.621	6.643	7.913
Dec.	6.324	7.682	7.621	6.643	7.899
1960: Jan.	—	7.682	7.621	6.643	7.911
Feb.	—	7.659	7.621	6.643	7.883
Mar.	6.324	7.674	7.621	6.643	7.907
Apr.	—	7.720	7.621	6.643	7.897
1959: Apr.	—	7.720	7.621	6.643	7.891

Note: Table 6: How to Compute Per Diem Interest: In addition to the usual annual rate in percentage, computing interest by per diem rates is widely in vogue in Japan. This rate is expressed in sen (1/100 yen) as interest per day on ¥100 of principal. To find the usual annual rate from the per diem rate, multiply the latter by 365. For example, a per diem rate of 1.0 sen on a principal ¥100 gives an interest of 365 sen or ¥3.65 per year or 3.65% per annum.

10. Government Bonds

(In million yen) (Bank of Japan)

End of Month	Government Bonds			Foreign Exchange Fund Bills			Food Notes		
	Issue	Redemption	Balance	Issue	Redemption	Balance	Issue	Redemption	Balance
1959: December	7,789	3,354	460,430	127,000	119,000	237,000	307,052	285,982	402,090
1960: January	493	141	460,782	115,000	139,998	212,002	74,039	147,977	328,152
February	564	215	461,131	111,046	131,002	192,046	244,054	286,814	285,392
March	2,860	3,222	460,769	226,011	167,972	250,085	84,124	41,338	328,178
April	555	2,347	458,978	178,000	162,073	266,012	242,111	276,762	293,527
1959: April	1,267	189	401,393	67,000	55,000	190,000	211,021	245,764	254,593

11. Corporate Debentures & Public Corporation Bonds

(In million yen) (Industrial Bank of Japan)

End of Month	Corporate Debentures									Public Corporation Bonds		
	Banking Bonds			Industrial Bonds			Total					
	Issue	Redemption	Balance	Issue	Redemption	Balance	Issue	Redemption	Balance	Issue	Redemption	Balance
1959: Nov.	34 912	17,380	802,908	17,957	4,526	526,562	59,436	22,214	1,582,173	6,567	307	252,302
Dec.	39,984	19,524	823,368	16,495	3,733	539,687	63,310	23,292	1,622,155	6,830	34,190	259,099
1960: Jan.	33,531	16,479	840,421	14,860	5,214	549,333	55,044	21,971	1,655,229	6,652	277	265,474
Feb.	33,087	15,656	857,853	14,750	4,168	560,919	55,218	20,217	1,691,234	7,380	392	272,462
Mar.	33,875	20,143	871,584	19,213	6,352	573,780	60,821	28,289	1,723,766	7,732	1,793	278,400
Apr.	35,277	16,546	890,315	16,620	5,501	584,905	57,075	22,496	1,758,351	5,178	448	283,130
1959: Apr.	25,866	11,299	691,386	15,820	2,487	444,706	46,949	14,193	1,347,644	5,262	406	211,551

12. Contracts & Investments of Mutual Life Insurance Companies

(In million yen) (Mutual Life Insurance Association)

End of Month	Mid-Month Contract Amounts	End-Month Contract Amounts	Loans Total	Call Loans	Negotiable Securities			Real Estate	Cash & Deposits	Others
					Total	Debentures	Stocks			
1959: November	272,695	5,222,238	330,873	8,743	133,612	10,930	120,999	45,842	4,462	7,774
December	227,404	5,335,657	341,297	7,004	137,225	10,998	124,352	47,860	4,117	8,330
1960: January	152,783	5,398,930	343,618	7,323	142,509	11,291	129,152	49,594	3,842	8,243
February	175,145	5,490,745	351,650	5,619	146,289	11,531	132,685	50,974	3,673	8,461
1959: February	122,407	4,397,311	264,455	5,280	117,958	8,358	107,582	38,933	3,553	6,380

13. Contracts & Investments of Non-Life Insurance Companies

(In million yen) (Non-Life Insurance Association)

End of Month	Mid-Month Contract Amounts	End-Month Contract Amounts	Loans Total	Call Loans	Negotiable Securities			Real Estate	Deposits	Cash	Asset Total (Inc. Others)
					Total	Debentures	Stocks				
1959: Nov.	2,292,733	12,306,177	23,559	4,782	70,659	4,223	61,673	18,222	31,174	552	170,410
Dec.	2,606,076	12,394,470	23,972	2,794	71,953	4,254	62,633	18,537	32,323	283	171,961
1960: Jan.	2,195,367	12,726,163	23,928	4,097	74,546	4,318	65,244	18,573	30,725	576	174,367
Feb.	2,228,578	12,966,755	23,869	4,319	75,765	4,364	66,175	18,675	30,996	494	178,305
1959: Feb.	1,756,108	10,860,735	21,920	6,270	63,261	2,629	56,197	17,644	28,322	719	158,004

14. Stock Issue Plan & Paid-Up Capital

(In million yen) (Ministry of Finance)

Year & Month	Stock Issue Plan						Paid-Up Capital					
	Over ¥50 million		Under ¥50 million		Total		Over ¥50 million		Under ¥50 million		Total	
	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital
1959: October	39	27,168	356	10,168	395	37,336	59	45,736	388	8,663	447	59,389
November	30	27,299	329	10,425	359	37,724	16	15,080	347	13,653	363	23,516
December	61	75,341	324	6,364	389	81,705	66	46,383	435	10,481	501	56,864
1960: January	44	22,753	314	6,301	358	29,054	26	30,017	230	4,336	256	34,353
February	58	31,757	427	8,391	485	40,149	53	55,491	167	3,387	220	58,877
March	47	22,830	452	8,826	499	40,390	42	30,962	424	7,999	466	38,962
April	43	21,812	366	7,868	409	29,680	74	46,407	442	11,195	516	57,602
1959: April	27	16,495	355	6,912	382	23,407	36	16,781	398	7,767	434	24,548

15. Tokyo Wholesale Price Indices

(1952=100) (Bank of Japan)

Year & Month	Total Average	Metal & Machinery	Textiles	Agricultural Products	Fuels	Building Materials	Chemical Products	Sundries	By Uses		
									Producer's Goods	Capital Goods	Consumer's Goods
1960: January	101.5	100.6	78.2	108.5	109.7	132.9	79.6	91.5	100.0	115.1	103.5
February	101.1	100.7	76.3	108.3	109.7	132.8	79.7	91.2	99.7	115.2	102.9
March	101.0	101.0	75.6	108.6	108.8	132.5	80.0	91.4	99.6	115.0	102.9
April	100.9	100.5	76.0	108.8	108.5	131.5	80.3	91.2	99.5	114.5	102.9
May	100.8	100.1	75.1	109.4	108.6	130.8	80.3	91.5	99.1	114.1	103.1
1959: May	98.6	99.7	74.3	106.2	103.3	127.7	78.3	90.8	98.3	112.3	99.0

Notes: Food Notes in Table 10 do not include Korean food notes. Public Corporation Bonds are the total of National Railways Bond and Telephone & Telegraph Corporation Bonds. ▲ Revised at source.

16. Tokyo Retail Price Indices

(1952=100) (Bank of Japan)

Year & Month	Total Average	Agricultural Products	Textile Products	Metal Products	Wood Products	Fuel	Miscellaneous	*Total Average	Total Average (1934-6=100)
1959: December	103.4	111.2	84.7	95.2	105.8	127.6	98.9	101.5	31,070.0
1960: January	104.2	112.6	86.4	95.0	105.8	127.7	97.1	101.7	31,310.4
February	104.7	113.6	86.4	94.8	105.9	127.9	97.0	101.7	31,460.7
March	104.8	113.6	86.6	95.0	106.5	127.9	97.0	101.6	31,490.7
April	106.0	116.1	86.7	94.4	106.8	125.9	97.0	101.5	31,851.3
May	105.4	115.0	86.4	94.1	106.8	124.7	97.3	101.4	31,671.0
1959: May	101.5	109.7	82.2	93.7	105.4	122.4	96.6	99.8	30,499.1

17. Consumer Price Indices

(1955=100) (Bureau of Statistics, Prime Minister's Office)

		Total Average	Food	Staple Food	Nonstaple Food	Housing	Light & Fuel	Clothing	Miscellaneous
All Cities	1959: November	105.3	102.7	100.7	106.1	124.4	108.4	98.3	108.9
	December	105.3	102.0	100.4	103.8	125.0	109.5	98.5	109.7
	1960: January	106.2	103.0	100.4	102.9	125.4	112.0	97.9	110.8
	February	106.3	103.9	100.3	104.6	125.6	112.4	96.4	109.9
	March	105.8	102.9	100.4	104.4	125.9	112.2	96.4	110.1
	April	106.5	103.8	100.3	105.9	126.3	111.5	96.3	111.2
	1959: April	103.7	101.5	101.1	101.7	119.7	106.4	92.9	109.0
Tokyo	1959: November	107.9	105.6	104.6	106.1	129.5	103.4	104.5	109.1
	December	108.0	105.1	104.3	105.4	130.3	104.0	105.1	109.9
	1960: January	108.8	105.5	104.3	106.0	130.4	108.3	104.4	111.5
	February	108.9	106.3	104.0	107.4	130.8	108.9	102.8	111.0
	March	108.3	105.4	104.4	105.9	131.1	108.6	100.9	111.4
	April	108.9	105.5	104.5	106.0	131.2	108.1	100.4	113.5
	May	109.8	107.7	104.4	109.2	130.8	107.9	99.7	113.5
	1959: May	105.4	102.7	104.8	101.7	125.6	102.1	97.0	109.7

18. Labor Population Survey

(In 10,000) (Labor Ministry)

Year & Month	Total Population	Population 15 years old and over					Not in Labor Force
		Total [1]	Labor Force: Total of the following three columns	Labor Force: Agriculture & Forestry	Labor Force: Non-Agricultural Industries	Labor Force: Totally Unemployed	
1959: November	9,311	6,506	4,456	1,611	2,843	44	1,999
December	9,318	6,513	4,248	1,378	2,869	46	2,210
1960: January	9,326	6,525	4,101	1,279	2,821	55	2,363
February	9,334	6,536	4,202	1,292	2,910	51	2,275
March	9,341	6,545	4,331	1,390	2,940	72	2,130
April	9,348	6,553	4,488	1,513	2,974	47	2,012
1959: April	9,259	6,428	4,393	1,576	2,816	57	1,967

19. Labor Disputes & No. of Participants

(1,000 Participants) (Labor Ministry)

Year & Month	Dispute Total		Accompanied by Disputes							
			Total		Strikes		Work Slowdown		Business Control	
	No. of Cases	No. of Participants	No. of Cases	No. of Participants	No. of Cases	No. of Participants	No. of Cases	No. of Participants	No. of Cases	No. of Participants
1959: September	173	(70)	88	72	48	21	46	65	2	107
October	210	(87)	101	213	73	112	43	132	1	77
November	415	(279)	286	366	172	206	154	204	1	30
December	511	(258)	294	285	191	159	133	147	1	30
1960: January	214	(52)	51	64	32	22	21	42	—	39
February	264	(100)	129	62	76	31	66	32	—	—
March	401	(189)	210	218	133	95	110	150	—	—
1959: March	292	(184)	184	708	151	469	81	460	1	60

20. Mining-Manufacturing Indices

(1955=100) (Statistics Bureau, MITI)

Year & Month	Composite	Public Utilities	Mining-Manufacturing	Mining	Manufacturing	Iron & Steel	Non-ferrous Metals	Machinery	Ceramics	Chemicals	Oil & Coal	Rubber	Hides & Leathers	Paper & Pulp	Textiles
1959: Sept.	186.0	154.7	188.4	120.9	194.0	180.5	176.4	342.1	165.1	177.3	200.7	206.6	131.9	167.7	151.2
Oct.	189.6	163.1	191.7	123.6	197.4	192.9	183.9	348.5	174.3	177.6	230.1	214.1	133.2	174.4	144.6
Nov.	192.3	161.2	194.7	115.5	201.3	195.4	178.6	356.6	179.1	175.0	233.5	210.4	123.3	173.5	153.3
Dec.	206.0	177.3	208.2	124.2	215.2	201.4	197.3	387.9	187.1	181.4	257.2	226.5	124.6	179.3	156.7
1960: Jan.	192.2	170.0	193.9	116.6	200.4	189.0	195.2	340.0	164.8	177.2	243.1	204.6	100.6	167.1	145.8
Feb.	215.4	164.2	219.4	120.8	227.7	195.7	201.5	393.9	178.9	179.0	248.1	229.1	121.5	173.1	157.0
Mar.	▲232.8	179.6	▲236.9	▲130.0	▲245.8	▲211.5	▲217.9	▲421.7	▲203.6	▲193.8	▲278.5	▲245.7	▲131.7	▲189.5	▲158.1
Apr.	216.6	179.5	219.5	126.0	227.3	216.4	213.0	416.8	198.8	199.9	260.5	248.4	135.2	180.5	160.8
1959: Apr.	168.4	152.6	169.6	109.7	174.6	158.9	169.5	278.5	149.0	179.1	190.0	185.1	125.4	152.1	132.0

Notes: * except perishable vegetables. Figures in parentheses in Table 19 are not in 1,000. Figures in parentheses in Table 20 are the numbers of companies surveyed. ▲ Revised. [1] 15 years and over.

21. Production by Major Items

Items	In	1960 February	1960 March ▲	1960 April △
Energies				
Electricity	Mil. KWH	7,158	7,937	7,960
Coal	1,000 Tons	4,032	4,345	4,202
Cokes	Tons	958,662	1,024,068	984,275
Gas (city use)	1,000 CM	436,687	423,160	387,300
Crude Oil	Kl	42,371	44,650	43,514
Natural Gas	1,000 CM	56,811	60,717	59,044
Gasoline	Kl	472,240	532,213	490,953
Petroleum	,,	1,239,116	1,429,914	1,309,079
Lubricants	,,	51,923	54,617	52,655
Kerosene	,,	169,544	197,565	182,705
Light Oil	,,	163,667	195,094	190,686
Minerals				
Gold Ores	KG	632	730	693
Silver Ores	,,	18	20	19
Copper Ores	Tons	7,283	7,563	7,293
Lead Ores	,,	3,323	3,609	3,336
Zinc Ores	,,	12,174	13,003	12,771
Sulphuric Iron	1,000 Tons	305	322	318
Iron Ores	Tons	97,755	104,181	94,859
Sulphur	,,	20,051	21,686	20,813
Lime Stone	1,000 Tons	2,886	3,213	3,216
Non-ferrous Metals				
Electric Gold	KG	859	886	792
Electric Silver	,,	25,727	26,906	24,690
Electric Copper	Tons	18,877	20,836	19,562
Lead	,,	6,122	6,382	5,994
Zinc	,,	13,508	14,794	14,685
Electric Tin	KG	93,540	133,346	139,443
Quick Silver	,,	67,625	73,349	90,104
Aluminium	Tons	9,316	9,956	10,222
Rolled Aluminium	,,	10,005	10,367	10,303
Rolled Copper	,,	21,187	22,305	21,416
Electric Cables	,,	17,700	20,343	19,886
Iron & Steel				
Pig Iron	Tons	846,290	915,851	942,456
Ferro-alloys	,,	18,428	30,787	46,193
Steel	,,	1,684,591	1,810,313	1,756,406
Open Hearth Steel	,,	1,196,558	1,276,975	1,213,194
Converter Steel	,,	154,482	178,124	191,302
Electric Furnace Steel	,,	333,551	355,214	351,910
Forged Steel	,,	18,711	21,236	21,774
Cast Steel	,,	28,808	29,328	28,709
Hot Rolled Steel Materials	,,	1,244,347	1,317,213	1,291,035
Steel Shape (medium)	,,	25,618	39,038	25,383
Steel Bars (small)	,,	13,027	16,514	14,007
Wire Rod	,,	86,348	89,997	85,671
Steel Sheet (thick)	,,	225,207	244,665	233,602
Steel Sheet (thin)	,,	64,109	61,831	63,782
Steel Band (wire)	,,	266,037	284,109	284,973
Rolled Special Steel Materials	,,	96,387	98,548	94,385
Steel Tube	,,	89,487	98,689	95,385
Cold Rolled Steel Sheet	,,	142,245	149,792	162,515
Galvanized Steel Sheet	,,	72,191	71,355	73,143
White Sheet	,,	34,473	36,924	35,441
Machinery & Machine Tools				
Steam Boiler	T/H	374	1,889	1,043
Steam Turbine	KW	16,892	171,354	32,103
Water Turbine	,,	100,000	77,520	7,000
Gasoline Engine	,,	70,117	87,302	73,065
Oil Burners	,,	30,894	34,604	32,961
Diesel Engines	,,	71,508	83,345	85,227
Bearings	Tons	2,297	2,423	2,526
Transmitter	,,	1,057	1,137	1,077
Machine Tools	,,	3,558	4,174	4,017
Rolling Machine	,,	10,376	12,082	11,352
Crane	,,	2,255	2,335	2,423
Winches	,,	1,201	1,659	1,680
Conveyor	,,	3,363	4,253	5,560
Pump	,,	3,731	3,449	3,170
Refrigerator	,,	937	1,077	1,178
Spinning Machine	Units	1,142	1,128	1,168
Weaving Machine	,,	3,742	3,999	4,391
Sewing Machine	1,000 Units	242	244	220
Cultivator	Units	7,407	8,724	8,579
Hand Tractor	,,	14,298	16,855	15,468
Thrasher	Units	16,946	17,974	17,973
Hulling Machine	,,	3,300	3,993	4,249
Rice-Wheat Cleaning Machine	,,	5,551	5,771	5,653
Alternating Current Motor	KW	430,810	461,579	442,447
Mercury Rectifier	,,	45,435	32,893	11,556
Transformer	1,000 KVA	1,828	1,779	1,840
Electric Fan	Units	126,017	175,189	190,910
Electric Washer	,,	108,710	112,660	112,483
Electric Refrigerator	,,	52,510	62,921	77,428
Telephone	,,	103,764	110,493	116,511
Automatic Switchboard	Circuits	65,887	64,757	59,584
Radio Set	1,000 Sets	982	1,038	1,013
Television Set	Sets	308,935	302,549	282,850
Electric Tube for Receiving	1,000 Pcs.	13,183	13,342	13,106
Industrial Meter	Units	12,145	12,194	13,064
Electric Bulb	1,000 Pcs.	12,540	13,612	12,860
Special Electric Bulb	,,	9,516	9,294	9,547
Passenger Car	Units	8,950	10,222	10,578
Bus	,,	774	858	725
Small Four-wheeler Chassis	,,	14,481	16,041	17,465
Truck Chassis	,,	5,297	6,319	6,989
Three-wheel Truck	,,	21,407	23,378	23,679
Motorcycle	,,	10,989	10,470	9,680
Bicycle	,,	280,281	322,304	332,500
Watch	1,000 Pcs.	1,048	1,145	1,099
Camera	Pcs.	147,748	157,299	142,000
Binoculars	,,	98,559	103,039	109,000
Textiles				
Rayon Yarn	Tons	10,858	11,515	11,671
Rayon Staple	,,	24,806	25,054	24,368
Synthetic Textile	,,	8,740	9,658	9,813
Vinylon	,,	1,661	1,809	1,789
Nylon	,,	2,973	3,373	3,193
Cotton Yarn	,,	46,738	44,262	45,692
Woollen Yarn	,,	11,112	11,238	11,683
Bast Fibre Yarn	,,	5,383	5,604	5,548
Rayon Staple Yarn	,,	17,330	17,253	17,125
Synthetic Fibre Yarn	,,	8,379	8,672	8,977
Cotton Textile	1,000 sq. m.	262,614	255,324	264,597
Woollen Textile	,,	26,114	25,768	25,209
Silk Textile	,,	20,484	19,642	19,182
Bast Fibre Textile	,,	9,057	9,672	9,343
Rayon Textile	,,	60,558	61,869	62,136
Rayon Staple Textile	,,	83,197	84,189	89,785
Synthetic Fibre Textile	,,	29,879	30,586	31,292
Paper & Pulp				
Pulp	Tons	271,575	295,556	281,741
Western-Style Paper	,,	189,283	208,601	198,930
Hard Board	,,	126,361	137,710	134,586
Chemicals				
Ammonium Sulphate	Tons	191,474	209,603	191,246
Superphosphate of Lime	,,	186,259	216,941	205,767
Carbide	,,	40,437	84,736	137,489
Chemical Fertilizer	,,	193,571	221,256	218,929
Calcium Cyanamide	,,	24,614	35,044	39,427
Urea	,,	55,260	59,777	55,190
Sulphuric Acid	,,	354,913	378,643	362,578
Caustic Soda	,,	65,168	72,368	72,346
Soda Ash	,,	40,916	42,714	43,590
Soap	,,	27,339	29,416	29,510
Paint	,,	22,692	24,529	25,300
Film	1,000 sq. m.	935	891	707
Cement & Ceramics				
Cement	1,000 Tons	1,624	1,968	1,955
Sheet Glass	1,000 Boxes	1,015	1,043	902
Porcelain & Ceramics	Tons	58,191	59,677	60,100
Glass Products	,,	38,243	41,940	43,390
Fire Brick	,,	122,673	128,725	118,240
Miscellaneous				
Automobile Tire	Tons	5,280	5,816	6,054
Leather	,,	7,848	8,667	8,666
Match	Match tons	37,793	40,489	33,972
Pencil	1,000 Gross	676	727	740
Metal Toy	1,000 Dz.	1,441	1,585	1,479

Note: △ Provisional figures. ▲ Revised.

22. Machinery Orders (In million yen) (Economic Planning Board)

Items	1959 Sept.	Oct.	Nov.	Dec.	1960 Jan.	Feb.	Mar.	1959 Mar.
By Products								
Prime Movers	9,727	4,607	4,219	15,174	▲15,963	8,082	19,693	18,908
Heavy Electric Machinery	17,330	15,127	13,561	18,331	15,718	17,208	16,975	14,177
Communication Apparatus	5,622	4,623	5,833	6,142	3,965	3,245	5,305	3,823
Industrial Machinery	27,067	24,658	31,298	27,866	24,964	30,090	33,698	23,072
Machine Tools	2,951	3,353	3,536	3,493	2,715	3,836	4,269	1,987
Rolling Stocks	1,578	2,450	2,687	7,318	2,303	2,864	2,061	1,791
Ships	16,049	16,549	6,119	5,391	5,172	6,923	18,883	6,166
Total of the Above	80.324	71,367	67,253	83,715	▲70,800	72,248	100,884	69,924
Iron & Steel Frames	2,293	1,544	3,441	3,853	1,524	3,873	7,982	2,217
Bearings	2.247	2,303	2,370	2,362	2,500	2,722	2,850	1,863
Electric Wires & Cables	9.593	11,929	11,031	9,488	9,568	13,762	12,604	8,257
Total	14,133	15,776	16,842	15,703	13,592	20,357	23,436	12,337
By Customers								
Foreign Sources	11,355	10,110	4,959	10,035	4,031	5,539	13,082	9,237
Government	8,115	7,388	9,982	12,006	7,043	5,219	5,661	4,899
Private	52,270	46,015	44.979	54,688	53,300	53,871	73,002	49,051
Manufacturing	30,443	22,688	29,378	26,903	24.092	31.527	33,234	22,954
Textiles	3,577	2,435	3,478	3,154	3.001	3,149	3,122	2,366
Chemicals	9,229	6,511	5,903	6,796	6,088	7,756	10,535	7,098
Iron & Steel	11,557	6,117	12,065	9,547	8.072	11,329	9,721	7,385
Machinery	3,812	4,328	4,594	4,376	3,540	5,206	5,377	2,079
Shipbuilding	207	220	190	257	206	410	317	215
Others	2,016	3,115	3,148	2,773	3,185	3,677	4,162	3,811
Non-Manufacturing	21,827	23,327	15,601	27,785	29,208	22,344	39,768	26,097
Transportation	9,545	11,516	4,028	3,110	3,700	5,274	10,113	3,848
Electric Power	5,133	4,440	3,671	16,899	17,921	5,967	17,470	13,992
Coal Mining	654	545	596	793	576	637	638	597
Agriculture, Forestry, Fishery	2,329	2,376	2,171	1,789	2,204	2,580	3,165	1,900
Others	4,166	4,450	5,135	5,194	4,807	7,886	8,382	5,760
Sales Agents	2,849	3,522	3,019	2,620	2,565	2,996	3,411	2,484
Total Orders	74,589	67,035	62.939	79,349	66,939	67,625	95,156	65,671
Orders Outstanding	733,492	746,302	746,185	762,944	▲783,359	776,247	786,940	709,397
Sales Total	65.990	64,258	67,042	62,118	52,073	76,231	92,062	61,434

23. Total Power Generation & Consumption (10^6 KWH) (MITI)

Items	1959 June	July	Aug.	Sept.	Oct.	Nov.	Dec.	1960 Jan.	Feb.	Mar.	1959 Mar.
Total Power Generation	7,743	8,319	7,992	7,979	8,390	8,239	8,872	..	..	..	7,760
Hydraulic Power	5,168	6,075	5,562	5,080	5,465	4,678	4,598	..	..	..	5,701
Thermal Power	2,575	2,244	2,430	▲2,999	2,925	3,561	4,274	..	..	..	2,059
Generation by Electric Industries	6,727	7,281	7,023	6,966	7,340	7,198	7,795	..	..	..	6,762
Hydraulic Power	4,659	5,526	5,084	▲4,584	4,973	4,219	4,138	..	..	..	5,173
Thermal Power	2,068	1,755	1,939	2,382	2,367	2,979	3,656	..	..	..	1,589
Generation by Power Companies	6,051	6,457	6,224	6,273	6,537	▲6,537	7,127	7,399	7,158	7,937	6,014
Hydraulic Power	4,051	4,767	4,353	3,968	4,253	3,635	3,574	3,461	2,825	3,562	4,460
Thermal Power	2,000	1,690	1,871	2,304	2,284	2,902	▲3,553	3,289	3,830	3,868	1,554
Power from other Sources	685	825	791	695	▲792	▲657	657	649	504	507	767
National Railways & Household Use	1,015	1,038	969	1,013	1,050	1,041	1,077	..	..	..	997
Hydraulic Power	508	549	478	495	492	459	459	..	..	..	528
Thermal Power	507	489	491	517	558	582	618	..	..	..	469

24. Coal Supply & Demand (1,000 metric tons) (MITI)

Year & Month	Production	Stock Deliveries: Coal Dealers	Large User Factories	Adjustment	Deliveries: Total	Deliveries	of which Exports	Others	Home Consumption	Month-end Stocks: Total	Coal Dealers	Large User Factories
1959: November	3,818	764	99	⊏ 2	4,593	4,629	0	⊏ 36	4,692	10,775	4,455	6,320
December	4,143	415	414	⊏ 8	4,899	4,938	3	⊏ 39	5,310	9,597	3,691	5,906
1960: January	3,916	719	620	⊏ 6	4,337	4,472	1	⊏ 135	4,956	8,562	3,276	5,286
February	4,032	354	455	⊏ 2	4.749	4,809	4	⊏ 60	5,200	7,388	2,557	4,831
March	4,345	000	227	9	4,708	4,986	4	⊏ 289	4,931	6,807	2,203	4,604
April	4,199	⊏ 29	⊏ 24	⊏ 6	4,164	4,329	2	⊏ 165	4,134	6,860	2,232	4,628
1959: April	3,681	⊏ 261	120	⊏ 7	3,413	3,305	0	108	3,533	11,144	4,775	6,372

25. Supply & Demand of Pig-iron and Steel Materials (In tons) (MITI)

Year & Month	Pig iron: Production	Deliveries	In Stock	Steel Materials: Steel: Production	Deliveries	In Stock	Special Steel: Production	Deliveries	In Stock
1959: October	887,414	123,085	345,114	1,195,339	863,392	399,282	74,291	59,318	34,072
November	900,959	146,102	344,544	1,184.338	873,672	407,495	81,722	64,554	33.750
December	898,399	147,249	392,975	1,177,603	887,516	379,495	86,889	69,920	32,965
1960: January	899,917	135,332	362,844	1,170,669	801,927	424,722	87,792	69,819	32,723
February	809,568	132,568	326,219	1,244,437	892,571	432,113	96,387	74,905	35,717
March	866,919	152,317	228,021	1,317,713	947,226	446,698	98,548	77,652	37,249
1959: March	657,062	161,940	320,909	757,212	610,183	305,909	61,278	47,951	31,962

Notes: 80 machinery companies together with 18 iron frame, bearing & electric wire companies are surveyed for Table 22. Table 24 does not include import coal. Others in "Demand" column is the balance of sales volume by un-authorized sales agents plus dust coal output. "At Collieries" column includes the coal stocks on the seaboard mines. ▲ Revised at source.
In Table 22, the number of companies surveyed was increased from 80 to 127 retroactively to 1957.

26. Supply & Demand of Textile Goods (In tons for years; 1,000 sq. m. for textile) (MITI)

Year & Month	Cotton Yarn			Rayon Yarn			Staple Fiber Yarn			Cotton Textiles		
	Production	Delivery	Inventory	Production	Delivery	Inventory	Production	Delivery	Inventory	Production	Delivery	Inventory
1959: Nov.	44,173	23,362	23,480	10,261	6,664	14,079	17,873	14,523	10,047	244,638	245,166	404,691
Dec.	43,970	28,267	25,094	10,521	7,286	13,019	18,464	15,330	10,365	253,212	253,695	405,413
1960: Jan.	40,682	26,248	26,286	11,066	6,674	13,475	16,814	13,968	10,256	238,406	▲235,496	▲416,939
Feb.	▲45,978	▲30,084	▲27,955	10,858	6,630	▲14,143	17,922	14,665	▲10,455	261,373	262,028	432,511
Mar.	43,568	28,451	27,113	11,515	7,740	13,518	17,899	14,576	11,306	255,324	256,237	447,246
Apr.	45,013	27,627	29,817	11,671	7,163	13,356	17,751	15,083	11,620	264,598	262,932	462,195
1959: Apr.	38,158	24,878	19,333	9,476	5,814	11,887	15,753	13,278	12,462	235,199	234,082	475,249

27. Supply & Demand of Paper and Pulp (MITI)

Year & Month	Pulp (long ton)				Paper, Western Style (in ton)				Cardboard & Japanese Style Paper (in ton)			
	Production	For Paper	Deliveries	In Stock	Production	Deliveries	Self-Consumption	In Stock	Production	Deliveries	Self-Consumption	In Stock
1959: Sept.	259,126	147,084	106,088	71,245	184,365	176,667	6,443	72,667	328,032	310,490	13,995	102,172
Oct.	271,186	158,874	111,593	71,964	193,815	180,035	6,729	79,718	345,776	322,540	15,920	109,488
Nov.	272,931	158,957	116,571	69,367	189,693	180,574	6,813	82,024	345,077	325,288	15,159	114,123
Dec.	282,101	164,457	115,214	71,779	196,352	186,527	7,019	84,830	356,894	339,113	15,893	116,011
1960: Jan.	263,113	154,352	108,489	72,051	181,500	171 521	6,476	88,330	332,399	308,118	14,041	126,251
Feb.	271,575	158,334	113,914	71,378	189,283	176,339	6,859	94,418	345,829	316,187	15,038	140,855
Mar.	295,556	174,681	121,929	70,324	208,601	198,406	7,172	97,441	377,799	349,217	16,051	153,385
Apr.	280,999	169,095	112,727	69,501	199,237	185,808	7,520	103,350	365,281	337,208	17,184	164,274
1959: Apr.	233,963	137,915	98,540	64,568	174,791	167,080	5,792	52,851	303,233	286,376	12,873	76,678

28. Supply & Demand of Soda and Ammonium Sulphate (In metric tons) (MITI)

Year & Month	Ammonium Sulphate			Soda Ash			Caustic Soda		
	Production	Deliveries	In Stock	Production	Deliveries	In Stock	Production	Deliveries	In Stock
1959: August	219,389	182,220	340,301	38,478	37,422	8,626	63,893	50,442	22,247
September	200,869	194,074	340,199	38,158	35,589	9,629	62,965	53,576	20,973
October	193,135	200,960	343,574	40,555	38,707	9,907	68,239	56,520	22,167
November	195,225	163,285	366,452	39,430	39,094	8,750	69,639	57,319	23,445
December	195,632	181,016	370,263	40,868	40,138	7,885	69,782	60,070	22,203
1960: January	214,277	204,339	370,856	42,655	39,165	9,522	68,865	55,800	24,494
February	191,477	260,348	292,212	40,916	39,884	8,847	65,168	57,741	21,948
March	209,603	324,539	164,798	42,714	40,260	9,429	▲72,368	61,102	▲21,258
April	194,914	204,009	142,157	43,590	39,959	11,248	72,346	56,680	25,118
1959: April	234,548	217'374	214,487	37,607	35,634	10,356	58,951	48,557	20,674

29. Supply & Demand of Cement & Sheet Glass (MITI)

Year & Month	Cement (In 1,000 tons)				Sheet Glass (In 1,000 boxes)					
	Production	Consumption	Sales	Inventories at Month-end	Production	Consumption	Sales		Total	Inventories
							Exports	Domestic		
1959: Sept.	1,511.8	9.1	1,539.8	312.4	860.5	100.6	143.2	663.5	806.6	764.8
Oct.	1,658.9	9.2	1,641.9	319.6	973.8	113.3	129.4	815.9	945.3	697.5
Nov.	1,650.2	7.3	1,656.9	305.6	994.9	107.4	150.7	837.7	988.4	609.8
Dec.	1,710.1	7.2	1,717.0	291.4	1,089.4	131.3	151.0	853.0	1,003.9	577.6
1960: Jan.	1,422.7	4.1	1,381.5	328.2	1,095.1	118.7	156.7	611.2	767.9	786.8
Feb.	1,623.9	6.1	1,629.9	315.6	1,015.2	116.3	165.7	572.1	737.8	961.1
Mar.	1,968.2	9.6	1,965.8	309.8	1,043.0	122.3	157.5	655.3	812.8	1,075.3
1959: Mar.	1,380.3	8.2	1,379.3	340.1	842.6	95.3	170.6	538.8	709.3	858.1

30. Supply & Demand of Rubber & Vinyl Chloride Products (In tons) (MITI)

Year & Month	Rubber Goods					Vinyl Chloride Products				
	Production (A)	Sales (B)	Inventories at Month-end (C)	Delivery Rates (B/A)	Inventory Rates (C/A)	Production (A)	Sales (B)	Inventories Rates (C)	Derivery Rates (B/A)	Inventory Rates (C/A)
1959: Sept.	15,788	5,811	6,340	100	40	12,978	12,907	7,089	99	55
Oct.	16,479	16,288	6,511	99	40	13,640	13,515	7,160	99	52
Nov.	15,963	16,018	6,429	100	40	13,556	13,749	6,892	101	51
Dec.	17,003	17,640	5,913	104	35	14,891	14,865	6,956	100	47
1960: Jan.	15,501	15,261	6,163	99	40	13,762	13,516	6,847	98	50
Feb.	17,213	16,548	6,940	96	40	15,190	14,961	7,109	99	47
Mar.	18,470	17,911	7,589	97	41	16,131	15,698	7,530	97	47
1959: Mar.	12,983	13,259	5,794	100	38	11,208	11,537	5,086	103	45

31. Department Store Sales (In million yen) (MITI)

By Month	No. of Stores	Total	Clothing	Personal Effects	Sundry	Household Utensils	Provisions	Restaurant	Services	Outside Store Sales	Others	Gift Certificates
1959: Oct.	213	32,579	16,532	2,508	3,146	4,333	4,520	990	272	17	441	282
Nov.	219	33,786	17,990	2,359	3,060	4,280	4,345	1,039	269	22	414	293
Dec.	222	76,816	38,001	4,987	6,965	8,328	16,093	1,285	326	33	797	2,063
1960: Jan.	223	26,152	12,153	1,838	3,287	2,956	4,375	1,003	212	15	312	281
Feb.	223	26,005	12,057	1,746	3,363	3,179	4,173	937	211	17	323	329
Mar.	224	35,566	17,061	2,857	4,391	4,263	5,046	1,226	275	16	433	538
Apr.	223	34,713	15,674	2,904	4,545	4,691	4,997	1,217	279	23	384	388
1959: Apr.	209	28,357	12,730	2,330	3,743	3,791	4,165	1,035	247	10	305	325

Notes: ▲ Revised at source.
Rates of conversion: 1,000 lb.=0.45359 tons for yarns; 1,000 sq. yds.=0.83613 sq. m. for textiles; 1 lb.=0.45359 kg. for papers.

32. Letters of Credit Opened and Received

(In $1,000) (Ministry of Finance)

Year & Month	Exports				Imports			
	Dollars	Pounds Sterling	Open Account	Total	Dollars	Pounds Sterling	Open Account	Total
1959: July	154,970	106,133	5,017	266,121	116,254	99,593	4,221	220,069
August	142,487	105,928	11,826	260,242	97,778	91,436	1,209	190,424
September	151,275	109,045	8,589	268,910	100,814	89,507	2,245	192,567
October	158,621	100,455	4,452	263,530	116,312	98,395	7,792	222,500
November	147,726	103,997	4,569	256,293	117,574	103,803	7,505	228,882
December	177,043	108,600	8,611	294,255	159,748	124,847	9,456	294,053
1960: January	150,805	97,423	6,473	254,702	110,077	95,613	7,625	213,315
February	142,243	112,841	4,398	259,483	133,633	99,499	2,696	235,830
March	186,944	136,418	7,602	330,965	135,957	113,771	14,259	263,989
April	142,371	102,406	7,534	252,312	113,837	95,482	10,934	220,254
May	158,630	119,898	7,069	285,598	118,779	102,549	7,354	228,684
1959: May	144,834	93,623	11,456	249,914	108,562	101,634	5,898	216,095

33. Exports and Imports by Value

(Ministry of Finance)

Year & Month	Value (In $1,000)			Value (In million yen)		
	Exports	Imports	Balance	Exports	Imports	Balance
1959: September	282,660	298,844	⊟ 16,183	101,758	107,584	⊟ 5,825
October	345,447	297,582	47,865	124,361	107,130	17,231
November	292,475	289,728	2,747	105,291	104,302	989
December	394,276	372,826	21,449	141,939	134,217	7,722
1960: January	217,731	330,768	⊟ 113,037	78,383	119,076	⊟ 40,693
February	318,072	363,900	⊟ 45,828	114,508	131,004	⊟ 16,498
March	349,906	435,194	⊟ 85,288	125,966	156,700	⊟ 30,704
April	▲310,753	▲355,006	▲ ⊟ 44,252	▲111,871	127,802	▲ ⊟ 15,931
May	311,353	384,506	⊟ 73,153	112,087	138,422	⊟ 26,335
1959: May	277,666	322,074	⊟ 44,407	99,960	115,947	⊟ 15,987

34. Value of Export and Import by Economic Classification

(In $1,000) (Ministry of Finance)

		Total		Foodstuffs		Crude Materials		Fabricated Basic Material		Finished		Others	
		Value	%	Value	%	Value	%	Value	%	Value	%	Value	%
Export	1959: December	394,276	100.0	27,797	7.0	11,500	2.9	57,003	14.5	297,098	75.4	878	0.2
	1960: January	217,731	100.0	16,025	7.3	6,020	2.8	40,297	18.5	154,783	71.1	606	0.3
	February	318,072	100.0	19,325	6.1	8,305	2.6	56,729	17.8	232,525	73.1	1,188	0.4
	March	349,906	100.0	19,391	5.5	10,378	3.0	84,742	24.2	233,704	66.8	1,691	0.5
	April	310,753	100.0	17,708	5.7	8,076	2.6	60,095	19.3	223,815	72.0	1,059	0.4
	1959: April	261,054	100.0	16,832	6.4	8,692	3.3	41,213	15.8	193,081	74.0	1,263	0.5
Import	1959: December	372,826	100.0	45,488	12.2	236,438	63.4	38,439	10.3	51,574	13.8	887	0.3
	1960: January	330,768	100.0	45,896	13.9	209,342	63.3	34,808	10.5	40,369	12.2	353	0.1
	February	363,900	100.0	45,422	12.5	219,775	60.4	45,868	12.6	52,325	14.4	510	0.1
	March	435,194	100.0	63,113	14.5	255,443	58.7	48,494	11.1	67,481	15.5	660	0.2
	April	355,005	100.0	42,480	12.0	212,840	59.9	48,350	13.6	50,675	14.3	660	0.2
	1959: April	299,041	100.0	51,446	17.2	165,808	55.4	25,589	8.6	55,460	18.6	738	0.2

35. Exports and Imports by Continents*

($1,000; Customs Bureau, Finance Ministry)

	Year & Month	'58, Total	'59, Total	'59 Nov.	Dec.	'60 Jan.	Feb.	Mar.	Apr.	'59 Apr.
Exports	Total	2,876,560	3,456,492	292,475	394,276	217,731	318,072	349,906	310,753	261,054
	Asia	1,074,322	1,165,705	97,576	132,511	69,252	111,518	115,766	109,376	100,912
	S.E. Asia	649,520	754,256	68,852	89,297	48,054	78,146	74,274	71,599	61,792
	Europe	333,301	374,970	31,203	39,626	28,323	32,786	64,623	38,232	23,587
	N. America	848,456	1,246,253	106,834	134,553	81,578	116,958	115,073	112,722	90,618
	S. America	114,982	141,675	21,469	20,313	14,744	11,800	10,345	16,780	7,619
	Africa	415,511	409,891	24,592	52,216	17,287	33,262	31,387	21,042	31,406
	Oceania	89,771	117,897	10,799	14,963	6,505	11,509	12,594	12,504	6,912
Imports	Total	3,033,125	3,599,491	298,844	297,582	289,728	363,900	435,194	355,005	299,041
	Asia	982,448	1,168,853	88,545	102,408	100,323	111,944	137,680	114,834	98,285
	S.E. Asia	427,073	579,164	47,978	50,525	48,534	61,044	64,740	61,358	46,582
	Europe	268,654	364,599	30,532	27,822	27,498	36,112	41,312	39,424	29,917
	N. America	1,356,682	1,488,878	125,821	112,204	107,203	160,126	191,761	144,568	126,968
	S. America	80,687	108,380	12,405	14,678	10,360	8,537	9,445	10,111	8,656
	Africa	83,737	128,295	11,122	10,916	12,487	19,370	17,825	15,704	9,155
	Oceania	206,801	340,266	30,410	29,541	31,838	27,798	37,159	30,355	26,032

36. Foreign Exchange Receipts and Payments by Month

(In Million Dollars)

(Bank of Japan)

Year & Month	Current Transactions					Overall Balance*	Year & Month	Current Transactions					Overall Balance*
	Receipts		Payments		Balance			Receipts		Payments		Balance	
	Total	Exports	Total	Imports				Total	Exports	Total	Imports		
1959: Total	3,913	3,280	3,561	3,007	352	461	1959: Sept.	350	295	302	252	48	28
							Oct.	361	307	292	250	69	41
1959: Jan.	264	217	246	207	18	7	Nov.	343	289	309	362	36	41
Feb.	283	241	252	212	31	70	Dec.	385	320	379	309	6	30
Mar.	325	274	285	243	40	36							
Apr.	280	235	280	246	0	35	1960: Jan.	310	261	339	293	⊟ 29	6
May	302	253	313	265	⊟ 11	64	Feb.	329	280	350	294	⊟ 21	⊟ 7
June	349	286	314	261	35	32	Mar.	394	335	390	337	4	31
July	338	284	302	256	36	97	Apr.	330	278	338	288	⊟ 9	22
Aug.	333	279	289	244	44	⊟ 20							

Note: The Method of Tabulation was changed in April 1960.
* include "Capital Transactions."

37. Exports and Imports by Country

(In 1,000 dollars) (Ministry of Finance)

Settlement Area	Countries	Exports					Imports				
		Dec. 1959	Jan. 1960	Feb. 1960	Mar. 1960	Apr. 1960	Dec. 1959	Jan. 1960	Feb. 1960	Mar. 1960	Apr. 1960
	Total Exports or Imports . .	394,276	217,731	318,072	349,906	310,753	372,826	330,768	363,900	435,194	355,005
0	Korea	5,245	3,266	6,775	11,004	5,408	1,009	518	400	438	845
£▲	China	417	191	384	352	204	1,936	2,032	1,836	2,449	2,219
$	Rukyu Islands	8,479	4,802	5,794	6,189	6,464	1,531	1,674	2,230	3,476	2,445
£	Hong Kong	16,370	8,796	12,952	14,168	13,601	2,240	2,776	2,099	3,152	1,704
0	Formosa	8,794	6,630	6,807	8,117	10,004	6,372	5,610	5,692	7,521	6,161
$	South Viet Nam	5,224	3,293	3,089	4,800	2,977	315	580	444	384	346
£▲	Thailand	12,251	6,386	9,383	10,442	8,707	5,914	6,255	6,582	6,580	6,156
£	Malaya Union	2,935	1,653	2,489	2,253	1,979	16,948	14,159	15,943	15,237	15,383
£	Singapore	10,066	5,707	7,261	5,866	6,509	692	508	602	1,110	1,109
$▲	Philippines	11,085	6,039	7,574	9,696	8,447	13,670	11,528	14,589	15,916	15,639
£	British Borneo	183	101	124	152	232	7,085	8,750	4,914	6,851	5,168
£▲	Indonesia	6,887	6,436	16,802	5,971	7,024	6,551	6,903	5,930	6,403	5,104
£	Burma	6,611	2,250	4,271	3,879	4,184	628	631	651	1,139	3,817
£	India	7,060	4,048	4,934	7,802	8,077	8,501	8,227	8,769	9,667	7,675
£	Pakistan	5,495	1,635	5,950	6,057	5,760	1,898	3,323	3,278	2,866	2,336
£	Ceylon	3,926	1,610	2,308	2,076	2,510	811	878	1,283	1,414	1,534
$	Iran	4,323	2,411	1,884	2,456	3,771	2,550	1,553	1,294	3,726	1,806
£	Iraq	820	128	900	1,093	1,783	5,655	6,408	4,647	9,157	5,537
$	Saudi Arabia	1,646	611	1,421	1,355	1,923	9,492	11,354	7,268	10,401	8,412
0	Kwait	1,915	613	1,645	1,801	1,511	14,895	13,158	17,001	20,471	13,888
£▲	Sweden	2,929	1,163	1,765	3,144	2,052	755	497	768	1,051	1,017
	Denmark	1,337	4,103	748	686	625	332	514	658	779	647
£	United Kingdom	10,692	5,701	7,377	19,025	6,535	9,319	7,310	8,307	8,430	6,535
£▲	Netherlands	4,320	1,660	1,898	5,716	2,896	2,280	2,577	2,880	3,687	3,008
$	Belgium	2,260	843	1,540	3,946	2,073	1,691	1,142	1,319	1,370	857
£▲	France	2,345	997	1,163	1,444	1,492	2,752	2,459	2,419	3,767	1,992
£▲	West Germany	5,677	2,976	3,888	8,008	4,379	10,136	8,883	9,634	11,027	12,412
	Switzerland	2,751	1,516	2,036	2,711	2,872	3,019	2,516	2,630	2,593	2,280
£▲	Italy	1,900	674	1,755	2,911	1,944	790	547	660	1,247	1,097
	U.S.S.R. (in Asia zone) . .	5,888	475	1,558	3,892	1,601	3,778	2,618	4,107	5,591	6,364
$	Canada	10,651	7,417	9,473	10,208	11,574	18,808	15,912	18,222	22,320	12,726
$	U.S.A.	116,154	70,166	91,858	98,252	93,451	111,941	107,952	132,489	155,685	120,327
$	Mexico	1,521	796	1,030	1,304	1,519	15,946	9,046	7,725	6,675	4,348
	Panama	1,205	612	9,556	947	791	919	18	1,012	314	195
$	Cuba	1,094	239	407	207	170	5,124	1,375	5	2,950	1,492
	Venezuela	3,289	1,586	3,286	3,285	9,356	479	259	317	108	121
$	Peru	897	237	1,141	857	729	2,852	3,055	2,397	3,529	3,397
$	Chile	1,050	316	866	1,030	1,149	594	611	232	1,945	1,167
0	Brazil	10,785	9,904	1,298	1,336	1,334	5,805	1,301	1,720	1,218	2,056
£▲	Argentina	1,891	1,419	2,569	1,769	2,207	3,218	1,851	3,093	2,252	3,092
0	Egypt	1,866	937	756	903	2,196	1,838	1,304	1,963	2,643	2,547
£	British West Africa	6,526	3,202	4,489	5,528	5,273	746	623	445	318	656
$	Liberia	27,362	6,762	15,510	10,483	159	261	28	580	17	2
	Ghana	2,011	1,173	1,969	1,853	2,014	235	244	454	532	221
	British South Africa	5,430	1,543	3,889	3,950	3,490	1,468	1,626	3,166	2,178	2,097
£	Union of South Africa . . .	5,414	2,378	4,263	4,730	4,809	3,243	3,732	5,655	5,993	5,996
£	Australia	10,586	3,688	7,243	7,987	8,924	32,312	29,670	22,603	31,911	25,468
£	New Zealand	1,415	813	711	1,762	1,102	1,936	2,950	2,392	2,771	3,017

Note: 0 denotes open account area; $, dollar area; £, sterling area. £▲ stands for Specified Area A and B.
*Southeast Asia Total includes Hong Kong, South Vietnam, Cambodia, Laos, Thailand, Malaya, Singapore, the Philippines, Indonesia, Burma India, Pakistan, and Ceylon. ▲ Revised at source.

38. Exports by Major Articles

(In $1,000) (Ministry of Finance)

Articles	Unit	1960								1959	
		February		March		April		Jan.—Apr.		Jan.—Apr.	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Total Exports	—	—	318,072	—	349,906	—	310,753	—	1,196,462	—	989,951
Food	—	—	19,435	—	19,453	—	17,555	—	72,813	—	73,666
Fish & Shellfish	m.t.	26,649	13,218	30,668	12,666	20,944	9,363	96,309	43,401	97,641	49,594
Fresh Fish	,,	15,623	4,804	17,364	4,685	10,426	3,158	53,372	15,809	50,130	14,285
Tuna	,,	13,103	3,853	13,996	3,573	8,724	2,417	44,325	12,265	41,832	11,280
Canned, Bottled Fish	,,	9,561	7,570	10,119	6,846	8,851	5,235	35,039	23,819	39,881	30,094
Salmon	,,	2,788	3,716	1,232	1,637	739	776	6,766	8,129	16,721	13,947
Tuna	,,	1,259	809	2,389	2,032	2,149	1,790	6,333	5,052	4,953	4,442
Fruit & Vegetables	,,	9,537	3,160	9,662	2,991	15,840	5,305	54,854	17,304	52,165	14,323
Canned, Bottled Fruits	,,	5,434	1,977	5,791	2,185	11,177	4,149	34,801	12,851	31,621	11,250
Tea	,,	521	271	1,121	640	995	539	3,183	1,695	1,650	861
Beverage & Tobacco	—	—	355	—	610	—	622	—	1,737	—	1,302
Raw Materials, except Fuels	—	—	9,590	—	9,840	—	8,657	—	34,100	—	25,546
Lumber	cu.m.	26,173	1,633	28,416	1,602	36,502	2,106	118,353	7,040	119,301	7,173
Textile Fibre & Waste	m.t.	4,961	6,114	5,516	6,599	4,765	5,337	18,466	21,307	12,351	13,376
Raw Silk	,,	380	3,625	396	3,649	340	3,119	1,333	12,402	1,068	8,474
Mineral Fuels	—	—	1,278	—	2,399	—	1,359	—	6,608	—	2,835
Animal & Vegetable Oils	—	—	625	—	15,309	—	2,280	—	18,878	—	17,449
Animal Oil	m.t.	298	343	76,419	14,695	6,509	1,641	83,450	17,022	70,503	14,885
Whale Oil	,,	—	—	76,038	14,236	6,077	1,167	82,118	15,419	69,341	12,946
Vegetable Oil	,,	985	279	2,296	607	2,461	628	6,782	1,833	9,731	2,514
Chemicals, Drugs	—	—	13,527	—	19,971	—	16,141	—	59,784	—	62,055
Pharmaceuticals	—	—	1,219	—	1,277	—	1,384	—	4,939	—	4,037
Chemical Fertilizers	m.t.	123,048	5,555	250,261	11,533	144,824	7,003	595,476	28,606	731,733	37,743
Manufactured Products by Materials	—	—	147,982	—	145,920	—	135,218	—	524,017	—	430,224
Rubber Goods	—	—	2,710	—	2,837	—	2,512	—	9,391	—	8,124
Wood & Cork Products	—	—	8,340	—	8,442	—	7,981	—	31,449	—	30,385
Plywood	1,000 s.m.	8,175	6,624	8,643	6,686	8,484	6,242	32,020	24,991	33,992	22,627
Paper & Related Products	m.t.	13,272	3,890	12,309	3,750	15,202	4,284	51,347	14,973	33,125	9,559
Textile Yarns & Fabrics	—	—	80,496	—	70,186	—	64,150	—	259,770	—	219,065
Woollen Yarn	m.t	251	984	344	1,341	285	1,179	1,044	4,154	1,180	4,603
Cotton Yarn	,,	3,372	4,349	3,188	4,242	2,360	3,071	9,248	12,164	3,986	6,061
Rayon Yarn	,,	1,559	1,583	1,605	1,616	1,227	1,229	5,498	5,538	3,734	3,699
Spun Rayon Yarn	,,	850	783	718	677	548	530	3,111	2,876	3,768	3,293
Cotton Fabrics	1,000 s.m.	104,514	29,252	88,580	26,072	77,893	23,216	330,438	95,013	324,550	84,327
Silk Fabrics	,,	9,217	5,388	8,397	5,026	7,995	4,776	30,682	17,971	21,911	11,845
Woollen Fabrics	,,	4,391	7,645	2,319	3,677	1,789	2,996	10,866	18,456	8,562	14,627
Rayon Fabrics	,,	28,683	6,543	16,937	4,061	19,416	4,681	81,020	18,911	84,982	17,085
Spun Rayon Fabrics	,,	46,131	10,146	39,397	8,526	37,701	8,206	148,708	32,380	183,088	32,494
Non-Metallic Mineral Products	—	—	10,911	—	11,308	—	11,681	—	41,665	—	35,467
Cement	m.t.	118,511	1,854	128,433	1,905	133,823	2,019	471,281	7,117	373,782	5,917
Glass & Glass Products	—	—	1,799	—	1,983	—	1,989	—	7,038	—	6,626
Chinaware	—	—	5,122	—	5,383	—	5,677	—	19,806	—	16,066
Pearls	kg.	4,349	2,723	5,115	3,307	4,278	3,016	17,161	10,865	14,754	8,169
Base Metals	—	—	25,300	—	31,215	—	27,835	—	104,647	—	81,461
Iron & Steel	m.t.	138,301	24,086	170,882	29,090	150,457	25,841	571,842	97,931	511,708	73,063
Steel Plates (ungalvanized)	,,	31,972	5,192	42,228	6,741	37,199	6,099	147,869	23,599	132,605	16,760
Galvanized Steel Plates	,,	26,261	5,358	26,627	5,432	25,294	5,260	96,572	19,641	80,098	14,681
Non-ferrous Metals	,,	1,786	1,214	3,121	2,125	2,778	1,994	9,200	6,716	11,965	8,398
Metal Products	—	—	12,011	—	12,945	—	11,905	—	44,773	—	33,009
Machinery & Transportation Equipment	—	—	75,184	—	79,790	—	72,243	—	280,561	—	233,203
Machinery (excl. electric machines)	—	—	19,042	—	19,848	—	22,456	—	71,566	—	43,320
Textile Machines & Parts	—	—	4,809	—	4,585	—	5,269	—	17,034	—	7,413
Sewing Machines	—	172,686	4,558	166,322	4,280	174,994	4,507	629,514	16,266	615,742	16,196
Electric Machine	unit	—	17,572	—	20,734	—	23,024	—	73,127	—	44,595
Gen. Motors, Trans. & Alternators	—	—	1,753	—	2,449	—	2,346	—	7,698	—	5,906
Electrilc Bulbs	1,000 pcs.	30,913	861	34,648	970	35,916	1,044	119,936	3,415	108,724	2,842
Transportation Equipment	—	—	38,570	—	39,208	—	26,763	—	135,868	—	145,288
Railway Rolling Stock & Parts	—	—	336	—	725	—	1,241	—	2,891	—	4,293
Buses, Trucks	unit	1,141	2,564	1,267	2,760	1,522	3,408	4,754	10,726	2,213	5,146
Ships	G.T.	98,194	31,319	101,466	31,568	54,171	16,953	337,255	106,305	423,875	127,067
Miscellaneous	—	—	48,964	—	55,222	—	55,741	—	193,943	—	140,083
Clothing	—	—	16,299	—	18,689	—	18,441	—	65,694	—	51,141
Camera	unit	69,675	1,616	92,570	2,206	94,298	1,919	303,710	6,948	196,002	4,581
Toys	—	—	6,300	—	7,583	—	8,209	—	26,215	—	19,608
Live Animals not for Food	—	—	70	—	79	—	85	—	285	—	318
Re-export Goods	—	—	1,062	—	1,313	—	852	—	3,736	—	3,270

Note: Figures of group total include others than represented.

39. Imports by Major Articles

($ 1,000) (Ministry of Finance)

Articles	Units	1960								1959	
		February		March		April		Jan.—Apr.		Jan.—Apr.	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Total Imports	—	—	363,900	—	435,194	—	355,005	—	1,484,867	—	1,089,256
Food	—	—	31,796	—	51,540	—	39,530	—	155,424	—	167,149
Cereals & Cereal Preparations	m.t.	249,098	16,075	405,473	27,161	322,289	24,175	1,248,075	85,203	1,390,290	97,076
Wheat	,,	133,784	9,046	293,687	19,859	163,743	10,897	167,900	51,630	672,553	45,287
Rice	,,	10	1	2,371	349	41,986	5,394	46,847	6,117	102,188	14,391
Barley	,,	—	—	—	—	—	—	—	—	257,309	15,276
Maize (Corn)	,,	108,799	6,391	99,788	5,968	103,022	6,171	397,696	23,549	330,693	19,201
Fruit & Vegetables	,,	13,624	1,934	14,379	2,161	16,583	2,525	55,748	8,495	46,872	8,456
Sugar & Sugar Preparations	,,	111,404	8,531	202,650	16,728	99,001	7,628	526,948	41,231	539,990	45,262
Coffee	,,	927	818	692	657	568	509	3,077	2,775	2,951	2,909
Beverage & Tobacco	—	—	5,056	—	71	—	269	—	8,607	—	9,926
Tobacco	—	—	4,928	—	2	—	74	—	8,080	—	9,503
Raw Materials, except Fuels	—	—	192,433	—	213,584	—	179,071	—	761,575	—	475,252
Hides & Skins	m.t.	—	2,409	—	3,660	—	3,161	—	11,131	—	10,417
Oil Seeds	,,	170,709	19,533	217,667	24,336	112,623	14,028	676,247	77,126	510,670	53,948
Soy-beans	,,	116,936	11,292	147,391	14,263	60,814	6,038	449,073	43,066	346,226	32,482
Rubber	,,	23,788	18,206	26,160	19,880	21,678	16,263	92,766	70,992	63,253	37,180
Crude Rubber	,,	15,167	13,052	17,195	14,451	13,543	11,370	60,186	51,178	44,475	26,871
Lumber & Cork	—	—	14,092	—	15,612	—	15,775	—	56,021	—	31,084
Lumber	c.m.	479,951	13,943	536,298	15,387	543,337	15,600	1,937,252	55,283	1,359,660	30,290
Pulp & Waste Papers	—	—	3,416	—	2,050	—	2,931	—	10,113	—	5,592
Textile Fibres & Waste	m.t.	110,487	70,415	123,649	81,789	104,285	67,963	434,576	286,860	304,613	193,636
Wool	,,	14,676	21,258	16,273	24,060	15,324	22,107	64,491	93,917	56,790	65,114
Cotton	,,	77,972	41,950	92,933	50,969	73,773	40,012	308,389	166,513	201,897	107,367
Cotton, Ginned	,,	72,230	40,801	87,117	49,843	66,171	38,667	284,102	161,952	181,826	102,606
Hard & Bast Fibres	,,	16,076	4,388	12,635	3,678	13,477	3,598	54,572	15,127	37,178	8,742
Fertilizers & Non-metallic Minerals	—	—	7,327	—	8,794	—	7,308	—	32,903	—	23,760
Crude Fertilizers	m.t.	161,153	2,671	167,571	3,105	126,418	2,005	612,157	10,364	577,873	9,304
Salt	,,	171,601	1,483	192,168	1,699	205,988	1,763	729,338	6,299	587,817	4,808
Metal Ores & Metal Scrap	,,	1,660,111	55,279	1,761,648	55,411	1,653,222	50,314	6,559,749	209,497	4,196,850	114,199
Iron Ore	,,	1,001,807	14,464	1,217,060	17,779	1,162,760	16,868	4,291,969	62,295	2,654,208	36,753
Scrap Iron	,,	435,131	24,383	360,285	20,268	284,826	15,790	1,446,545	80,996	918,441	43,255
Non-ferrous Metal Ores	,,	213,664	11,534	171,625	10,620	192,654	10,688	777,256	42,898	603,453	24,408
Copper Ore	,,	42,431	6,575	35,278	6,111	39,014	6,195	149,562	24,141	85,645	10,881
Nickel Ore	,,	57,231	1,148	35,149	737	38,279	725	178,177	3,466	116,421	2,236
Aluminium Ore	,,	60,732	895	44,297	455	64,798	709	232,118	2,712	207,564	2,051
Manganese Ore	,,	20,624	694	24,523	826	10,749	356	71,805	2,294	88,563	2,929
Non-ferrous Metal Scrap	,,	9,509	4,893	12,678	6,739	12,982	6,964	43,979	23,288	20,848	9,782
Copper Scrap	,,	565	405	972	696	1,196	824	4,110	2,937	434	298
Brass Scrap	,,	6,683	3,565	9,377	5,052	9,465	5,107	31,204	16,712	16,979	8,373
Mineral Fuels	—	—	50,598	—	72,815	—	55,481	—	232,559	—	169,191
Coal	m.t.	506,798	8,991	579,128	10,241	690,922	12,152	2,283,149	40,268	1,335,830	25,085
Anthracite	,,	68,518	1,232	66,814	1,188	38,323	612	253,692	4,419	174,927	2,937
Bituminous (for coking)	,,	38,753	559	86,440	1,494	149,480	2,686	301,776	5,181	199,991	3,659
Petroleum	k.l.	2,450,102	40,248	3,737,655	61,122	2,520,192	41,783	11,313,996	187,443	7,499,995	141,400
Crude & Unrefined	,,	2,196,400	34,533	3,186,127	49,670	2,036,430	31,564	9,740,904	153,364	6,410,739	118,796
Heavy Oil	,,	228,313	4,053	531,034	9,635	452,814	8,265	1,460,288	26,293	1,025,165	18,808
Animal & Vegetable Oils	—	—	2,822	—	3,323	—	2,837	—	11,603	—	11,626
Animal Fats & Oils	m.t.	12,458	2,061	16,584	2,704	12,829	2,081	52,905	8,705	45,547	9,588
Beef Tallow	,,	12,408	2,005	16,309	2,629	12,319	1,960	52,049	8,437	43,629	9,056
Vegetable Oils	,,	2,021	668	1,541	486	1,924	582	7,870	2,413	7,111	1,726
Chemicals, Drugs	—	—	22,066	—	25,515	—	22,877	—	89,781	—	67,925
Inorganic Chemicals	—	—	1,397	—	1,732	—	1,491	—	5,803	—	4,287
Organic Chemicals	—	—	5,645	—	4,911	—	3,818	—	15,790	—	12,757
Potassic Fertilizers	m.t.	—	3,257	—	3,699	—	3,818	—	13,051	—	10,954
Synthetic Plastic Materials	,,	3,563	3,019	3,485	3,290	3,224	2,848	13,965	12,446	14,222	11,770
Manufactured Products by Materials	—	—	21,835	—	24,860	—	22,242	—	84,541	—	35,216
Textile Yarns & Fabrics	—	—	1,393	—	1,985	—	1,048	—	6,060	—	4,750
Base Metals	m.t.	112,869	16,431	91,307	18,525	160,735	17,674	439,335	63,024	76,422	19,524
Iron & Steel	,,	99,191	6,995	75,240	6,214	147,230	9,257	390,512	27,551	64,913	7,062
Non-ferrous Metals	,,	13,678	9,436	16,067	12,311	13,505	8,417	48,796	35,513	11,509	12,462
Copper	,,	5,660	4,124	9,798	7,392	5,841	4,470	24,473	18,348	3,927	2,751
Tin	,,	969	2,107	1,011	2,201	578	1,268	3,348	7,323	3,346	7,240
Machinery & Transportation Equipment	—	—	32,721	—	38,043	—	27,489	—	121,614	—	136,032
Machinery (excl. electric machines)	—	—	24,511	—	30,842	—	21,949	—	92,554	—	105,145
Electric Machines	—	—	2,616	—	2,655	—	2,160	—	11,457	—	13,406
Transportation Equipments	—	—	5,594	—	4,546	—	3,380	—	17,603	—	17,481
Passenger Cars, complete	unit	527	1,038	238	709	246	720	1,452	4,120	2,967	4,162
Aircraft & Parts	—	—	1,200	—	1,587	—	1,060	—	4,770	—	2,551
Miscellaneous	—	—	1,194	—	4,837	—	4,838	—	17,138	—	14,879
Live Animals not for Food	—	—	56	—	63	—	114	—	341	—	148
Re-import Goods	—	—	486	—	543	—	437	—	1,684	—	1,912

Note: Figures of group total include other items not represented above.

40. Spot Quotations on Tokyo Securities Exchange

Names of Shares	Authorized (Paid-up) Capital In million yen	Dividends	1960 May High	1960 May Low	1960 June 15
Mining		%			
Mitsubishi Metal Mining	4,095	12	111	98	74
Nihon Mining	5,670	12	144	122	97
Sumitomo Metal Mining	3,218	12	113	100	80
Mitsui Metal Mining	4,800	15	107	98	80
Mitsui Mining	3,000	—	51	47	40
Mitsubishi Mining	5,400	—	47	42	40
Sumitomo Coal Mining	2,460	5	51	49	50
Furukawa Mining	3,472	5	61	56	51
Ube Industries	9,456	10	88	82	82
Teikoku Oil	4,000	12	162	101	109
Dowa Mining	3,197	10	168	135	111
Foodstuffs					
Nippon Suisan	3,500	6	86	71	77
Nippon Flour Mills	1,440	15	131	125	126
Nisshin Flour Milling	1,500	18	145	137	138
Dainippon Sugar Mfg.	792	25	374	304	403
Taito	600	30	359	335	400
Japan Beet Sugar Mfg.	1,350	16	190	159	155
Morinaga Confectionery	1,200	18	190	175	165
Meiji Confectionery	1,260	18	198	174	190
Nippon Breweries	2,800	18	298	245	387
Asahi Breweries	2,800	18	307	255	403
Kirin Breweries	4,151	20	325	284	530
Takara Shuzo	5,890	15	132	113	152
Japan Distilling	1,155	10	97	74	113
Honen Oil Mills	1,500	17	185	168	214
Nissin Oil Mills	1,000	17	172	157	146
Noda Soy Sauce	1,200	21	310	298	310
Ajinomoto	2,296	35	429	361	625
Nippon Cold Storage	3,000	14	118	105	115
Textiles					
Toyo Spinning	8,062	16	132	127	111
Kanegafuchi Spinning	4,005	12	110	100	85
Dai Nippon Spinning	6,562	18	110	104	91
Fuji Spinning	3,600	16	88	81	73
Nisshin Cotton Spinning	2,028	26	200	188	175
Kurashiki Spinning	3,200	16	108	101	95
Nitto Spinning	1,700	12	83	75	130
Ohmi Kenshi Spinning	3,000	12	69	60	56
Japan Wool Textile	2,716	20	125	121	105
Daito Woollen Spinning	1,500	15	80	76	68
Teikoku Textile	1,220	8	53	47	53
Teikoku Rayon	5,557	12	134	123	158
Toyo Rayon	12,000	18	281	245	291
Toho Rayon	1,545	10	115	100	83
Mitsubishi Rayon	2,480	12	125	107	118
Kurashiki Rayon	3,000	15	167	148	146
Asahi Chemical	(B) 8,000	18	404	□278	270
Paper & Pulp					
Kokoku Pulp	3,120	—	43	38	31
Sanyo Pulp	3,176	10	70	61	51
Nippon Pulp Ind.	1,600	12	93	83	68
Kokusaku Pulp	2,144	5	67	60	50
Tohoku Pulp	2,588	5	73	65	50
Oji Paper	5,000	18	175	164	132
Honshu Paper	2,000	8	159	137	105
Jujo Paper	2,760	20	310	□240	196
Mitsubishi Paper Mills	2,300	15	150	126	96
Chemical Indusries					
Toyo Koatsu Ind.	7,787	4	117	98	108
Nitto Chem. Ind.	4,152	5	118	106	139
Showa Denko	9,000	12	179	147	169
Sumitomo Chemical	8,000	12	248	215	263
Shin Nippon Chisso Hiryo	4,500	12	176	140	149
Nissan Chemical Ind.	2,163	—	114	79	78
Nippon Soda	1,696	8	114	76	79
Toyo Soda	1,530	15	115	100	118
Toa Gosei Chemical Ind.	2,917	10	117	98	119
Electro-Chemical Ind.	2,597	12	118	98	138
Shin-etsu Chemical Ind.	2,200	12	122	106	100
Mitsui Chemical Ind.	3,200	12	112	93	155
Kyowa Fermentation	2,460	10	133	113	135
Dainippon Celluloid	2,251	6	118	96	123
Nippon Chemical Ind.	800	15	115	100	101
Sankyo	1,320	18	177	150	145
Fuji Photo Film	2,500	18	205	184	193
Konishiroku Photo Ind.	1,800	—	137	107	126
Tokyo Electric Power	(A) 45,000	10	585	566	522
Tokyo Gas	15,600	12	73	69	73

Names of Shares	Authorized (Paid-up) Capital In million yen	Dividends	1960 May High	1960 May Low	1960 June 15
Coal & Petroleum		%			
Nippon Oil	10,000	15	219	121	159
Showa Oil	3,000	12	140	125	138
Maruzen Oil	11,025	15	136	120	130
Mitsubishi Oil	2,807	10	220	190	230
Toa Nenryo Kogyo	5,990	20	335	273	367
Mitsubishi Chemical Ind.	5,950	12	184	144	201
Rubber, Glass & Ceramics					
Yokohama Rubber	2,000	10	143	118	142
Asahi Glass	8,000	18	359	306	234
Nippon Sheet Glass	2,500	20	284	253	300
Nihon Cement	5,000	15	181	158	164
Iwaki Cement	1,500	36	608	510	375
Onoda Cement	12,000	13	108	96	105
Nippon Toki	800	23	400	326	553
Nippon Gaishi	1,000	20	358	280	465
Metal Industries					
Yawata Iron & Steel	38,000	12	125	111	101
Fuji Iron & Steel	33,000	12	106	92	91
Kawasaki Steel	17,500	6	95	79	69
Nippon Kokan	23,175	6	90	79	62
Sumitomo Metal Ind.	17,812	6	85	75	62
Kobe Steel	12,000	12	104	85	70
Tokyo Rope	800	15	226	210	—
Japan Light Metal	3,630	10	479	351	510
Toyo Seikan	(A) 1,600	15	1,330	1,250	—
Machinery					
Ebara Mfg.	1,200	20	300	273	516
Nippon Seiko	1,600	15	190	158	294
Toyo Bearing	1,300	20	228	195	341
Koyo Seiko	14,000	15	189	145	334
Electric Machinery					
Hitachi Ltd.	30,000	15	217	196	275
Tokyo Shibaura Electric	25,000	15	218	195	263
Mitsubishi Electric	12,800	15	220	181	249
Fuji Electric Mfg.	5,400	15	285	221	246
Furukawa Electric	6,000	12	142	109	129
Nippon Electric	8,000	15	361	252	541
Transportation Equipment					
Mitsubishi Shipbuilding & Engineering	11,200	18	116	95	109
Mitsubishi Nippon Heavy Ind.	9,000	12	152	109	96
Mitsui Shipbuilding & Engineering	4,500	15	110	98	82
Mitsubishi Heavy Ind. Reorg.	12,348	12	242	205	218
Ishikawajima Heavy Ind.	5,200	12	126	99	120
Nissan Motor	6,930	15	278	227	339
Isuzu Motor	7,500	16	209	165	160
Toyota Motor	10,500	20	349	311	418
Precision Machinery					
Nippon Kogaku	582	—	150	117	169
Canon Camera	1,600	10	245	194	187
Other Manufacturing Industries					
Toppan Printing	750	18	370	□260	405
Nippon Musical Instrument	1,000	20	475	435	800
Trading Companies					
Mitsui Bussan	6,223	14	377	332	420
Mitsubishi Shoji	10,000	14	301	264	194
Mitsukoshi	3,645	20	341	265	255
Real Estate					
Mitsui Real Estate	1,300	15	637	441	505
Mitsubishi Estate	5,160	15	311	253	336
Heiwa Real Estate	1,323	12	321	265	191
Transportation & Shipping					
Tobu Railways	2,400	12	138	124	—
Tokyo El. Express Railway	4,500	12	105	98	99
Nippon Express	(B) 21,600	12	150	142	120
Nippon Yusen	11,400	—	76	56	54
Osaka Shosen	7,600	—	47	36	29
Nitto Steamship	6,000	—	60	49	40
Mitsui Steamship	5,500	—	65	50	42
Iino Kaiun	13,200	—	45	36	27
Mitsubishi Shipping	4,800	—	58	48	39
Warehouse & Entertainment					
Mitsubishi Warehouse	1,200	10	111	95	97
Shochiku Motion Picture	2,772	—	75	70	54
Nikkatsu	3,366	12	78	64	54

Notes: (A) 500 yen shares. (B) 100 yen shares. Rest are all 50 yen shares, □ ex-new

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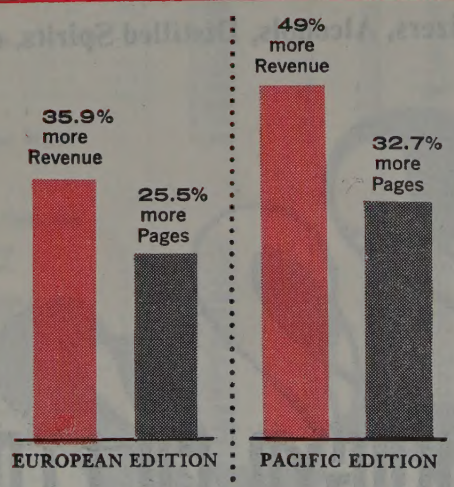

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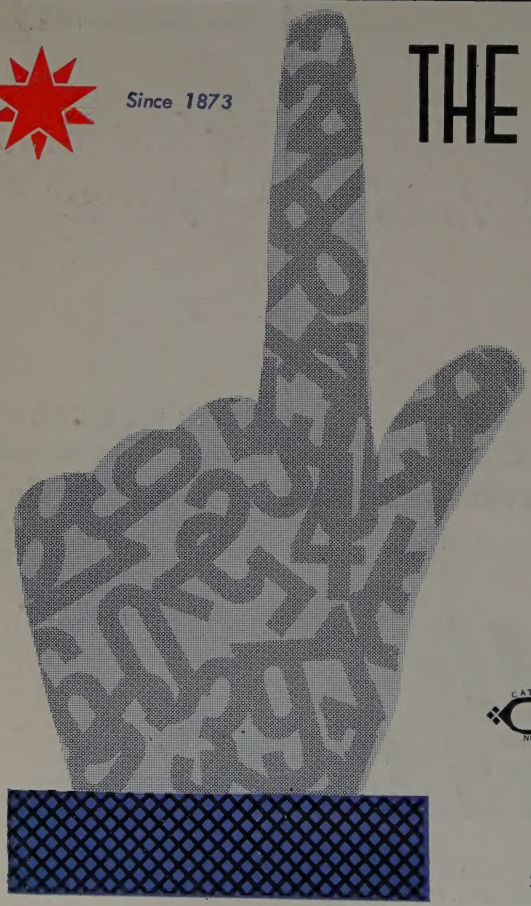

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